

# *Sales Management*

- ★ **How Undistributed Profits and Capital Gains Taxes Are Strangling Business**
- ★ **America's "Dying" Music Industry Lives Anew as Millions Turn to Tune-Making**
- ★ **"Experience" in 56 Countries Puts Shell Oil Across in the Canadian Market**
- ★ **How 5,000 Consumers Rate Grocery and Soap Advertisements—An MRCA Survey**
- ★ **Future Sales Ratings — Pictographs—Marketing Flashes — Significant Trends**

American Telephone & Telegraph Company • The Austin Company • N. W. Ayer & Son, Incorporated • Hotel Plaza  
 Atlantic Coast Line • American Wine Company • Diamond Chain & Manufacturing Company • Brock and Company  
 American Coating Mills Incorporated • American Express Company • Madison Hotel • Cadillac Motor Car Company  
 James W. Bell Company, Incorporated • Trust Company • Commercial National Bank & Trust Company  
 Buick Motor Division • General Motors Sales Corporation • Container Corporation of America • Otis Elevator Company  
 Hotel Whitman • Carpenter Steel Company • Hind • Dauch Paper Company • Union Pacific Railroad Company  
 Felton & Son, Incorporated • City Bank Farmers Trust Company • City of Jersey City • First Wisconsin National Bank  
 Felt & Tarrant Manufacturing Company • Chicago, Rock Island & Pacific Railway • N. Peper Tobacco Company  
 Chevrolet Motor Company • The Studebaker Corporation • Dry Shaver, Incorporated  
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 Erie Railroad System • J. Walter Thompson Company • al Plastics, Incorporated  
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 The B. F. Goodrich Company • Oldsmobile Division • burg Steel Corporation  
 Pontiac Motor Company • Monroe Calculating Machine • t & Myers Tobacco Co.  
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 International Silver Company • The Dow Chemical Company • E. R. Squibb & Sons  
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 Carpenter Steel Company • The Shepard Elevator Company • Pullman Company  
 The Richardson Company • Scott Paper Company • A. • Fe System Lines  
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 Aluminum Company of America • Westinghouse Electric & Manufacturing Company • et Company  
 National Distillers Products Corporation • The Timken Roller Bearing Company • nk Company  
 Tennessee Eastman Corporation • Wheeling Steel Corporation • Hercules Motors Company  
 The Cambridge Tile Manufacturing Company • York Ice Machinery Corporation • Park & Tilford Import Corporation  
 Packard Motor Car Company • Missouri-Kansas-Texas Lines • Maryland Casualty Co. • Cutler-Hammer, Incorporated  
 Kimberly-Clark Corporation • Plymouth Motor Corporation • Jenkins Bros. • Metropolitan Life Insurance Company

... Have you something to sell?  
 A new alloy? An old reputation?  
 A better car? A "different" service?  
 Then you have news to tell to business men.

News that's surest to reach them in  
 the one magazine they turn to for  
 lively, unbiased news of business.

That magazine is FORTUNE.

Every month, 130,000 subscribers  
 and 2,000,000 extra readers read  
 FORTUNE because they want a lucid,  
 unafraid report on business.

This month these FORTUNE readers  
 —business men, their wives and  
 friends—will turn to FORTUNE's advertising  
 pages to read what the advertisers listed on this page have to say.

They know that these pages are  
 news, too. News in black and white,  
 in beautiful four-color spreads. News  
 of new methods, new ideas, new  
 products.

Have you something to sell to business men? FORTUNE's address is 135  
 East 42nd Street, New York City.

**Business**

# Why?

... has **THIS WEEK**  
Magazine's advertising volume  
jumped from 99 pages in 1935,  
to 194 in 1936, to 293 in 1937?

**Why** has its number of accounts  
risen 73% in that period?

**Why** has its average space-per-  
advertiser increased 100% in that  
period?

**Why** have all of the "Big 3" auto  
makers, 3 of the "Big 4" tobacco companies,  
9 of the "Top 10" magazine advertisers,  
already recognized the power of this new  
kind of magazine?

*.. because*

---

**THIS WEEK** *sells BOTH sides of the counter*

---

MAGAZINE  
POWER

NEWSPAPER  
SALES PUNCH





### "How Do You Like It?"

Sometimes, many believe, selling procedure is too trussed up with complicated explanations to lead to the dotted line. So perhaps this means something. In a Seattle furniture store, Schoenfeld's, they sold 500 typewriters during the first five and a half months the line was added to home furnishings, and the machines were sold by the same girls who also sold percolators and other small wares on the street floor.

"These girls know little or nothing about the mechanical intricacies of typewriters," readily admits Kenneth Schoenfeld, executive vice-president, "and we don't want them to. We find that typewriter selling boils down to two-sentence simplicity: 'Sit down and try it,' and 'How do you like it?'"

### More Ways to Kill a Dog

The McCormick-Armstrong Co., printers and lithographers of Wichita, Kans., operates on the theory of reverse English: If you want to get business, run like the mischief *away* from a prospect. When all other means have failed, the company bestows on cast-iron prospects an elaborately printed certificate. It reads:

The House of Impressions  
To All Persons  
to Whom These Letters Shall Come, Greeting  
Be It Known That  
John C. Doe  
Is Admitted to the Degree of  
**DOCTOR OF SALES RESISTANCE**  
With all the rights and privileges pertaining  
to that Degree and is hereby granted this  
Certificate in recognition of his superb ability to  
remain unresponsive and to shed, like a duck,  
every selling appeal directed toward him by  
means of letters, folders, blotters, booklets,  
samples, personal interviews and every other  
means which have been employed by us to get  
his printing business.

For the Ancient and  
Indigo Order of  
Blue Salesmanagers  
(signed) Arthur M. Miller

A "Mourning Committee," composed of other executives, also signs the impressive document. Illustrations depict crape on the s.m.'s door and a "Doctor" kneeling to accept his accolade. It never fails to get a chuckle from the recipient, and often an order follows. Neat, say we.

### If You See It in SM It's So

Yes, Virginia, there is a Santa Claus. He exists as certainly as press agents, and mimeographs marked "For Immediate Release," and devotion to clients exist, and you know that they abound and give to your life its highest beauty and joy.

Not believe in Santa Claus! You might as well not believe in advertising! You might get your papa to hire men to watch in all

the chimneys, but unless they recently spied on the Hotel St. George, in Brooklyn, or the offices of George Bijur, Inc., in Manhattan, they probably wouldn't catch Santa. If they snooped around the St. George they would have seen not one but a whole dinner table full of Saint Nicholases.

The occasion was the formation of the Benevolent Order of Santa Clauses, with a president, secretary, five vice-presidents, by delegates representing three states, 12 department stores, and two foreign countries. Presided over by Santa Charles Howard, who flew down from his Albion, N. Y. school for professional Santas (which was described in SM's December 1 issue), the Order first tucked a hearty lunch beneath red tunics. Then it proceeded to pass resolutions: Standardizing the proper length and cut of whiskers; condemning a jazz-age urge for streamlined Santas; drawing up rules for amateurs' Kris Kringling.

Telegrams from other professional department store Clauses were read to delegates. Santa Arthur Simpson of William Filene and Son, Boston, wired, "Greetings from the city where the most aristocratic Santa Clauses in America are born and bred. Our Santas wear whiskers that were brought over on the Mayflower." From Maine came, "The Santas of rock-ribbed Maine vote for rugged individualism."

Santa Henry Williams of Davison Paxson's store, in Atlanta, telegraphed, "Every southern Santa is as genial, attentive and sympathetic as the finest gentleman that the Old South ever brought to flower. We believe in making Santa a symbol of southern hospitality."

No Santa Claus? What with George Bijur, Inc., thinking up cute tricks for him to do? Thank God! he lives, and he lives forever. A thousand years from now, Virginia, nay, ten times ten thousand years from now, he will continue to make glad the heart of advertising men.



*Couple of Kringles: Santa Howard, left, who flew to assume chairmanship of the B. O. O. S. C., is welcomed by the St. George's staff Santa.*

### Upside-Downitis and Mirror Writing

There are a couple of G.M.C. trucks in New York City with signs on their sides written upside down. They belong to the P. & B. Trucking Co. Firm's name, address, telephone number—it's all there, but upside down. Our contemporary, *The New Yorker*, investigated, and was told it was "just a whim." But SM's matter-of-fact reporter received the more logical explanation that the sign was painted upside down to attract attention—which it is doing.

There's been another case of upside-downitis in Michigan. On a billboard put up by Peter P. Steketee & Son for the Federal Savings & Loan Association, the words "Home Loans" at the top

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# The King is dead: Long Live the King!



**L**OOMING on the horizon is a new advertising monarch — The American Weekly — kingpin of all the advertising publications in the world. Tapping the richest markets in America — saturating the cities, towns and villages where *four out of every five* retail sales in the

land are made — meeting the reading tastes of the people who swing the balance of economic as well as political power today — growing stronger and stronger in the face of all competition — now offering, at a record low cost, an all-time high in magazine circulation!

**Now**  
**7,000,000**

**THE AMERICAN  
WEEKLY**  
Greatest  
Circulation  
in the World

**WIDE-AWAKE  
SALES MANAGERS  
HAVE LEARNED THAT  
"GOODS MOVE OUT  
WHEN THE WEEKLY  
MOVES IN!"**

**"The National Magazine with Local Influence"**

**Main Office: 959 Eighth Avenue, New York City**

**Branch Offices**

PALMOLIVE BLDG., CHICAGO . . 5 WINTHROP SQUARE, BOSTON  
HANNA BLDG., CLEVELAND . . EDISON BLDG., LOS ANGELES  
HEARST BLDG., SAN FRANCISCO . . ARCADE BLDG., ST. LOUIS  
GENERAL MOTORS BLDG., DETROIT . . 101 MARIETTA ST., ATLANTA

**Here's where the 7,000,000 copies circulate —  
Coverage you can buy with no other magazine**

*Effective with issue of January 2, 1938*

There are 995 cities in the United States of 10,000 population and over. In 699 of these 995 cities The American Weekly goes into the homes of:

20 to 30% of all the families in 164 cities  
30 to 40% of all the families in 133 cities  
40 to 50% of all the families in 155 cities  
Over 50% of all the families in 247 cities

In these 699 cities you find 10,662,804 families — and 45.71% of these families receive The American Weekly. In addition, 2,300,000 other families throughout the country regularly receive The American Weekly.

**These 7,000,000 families — readers of The American Weekly — spend approximately \$8,750,000,000 a year in retail purchases.**

9th ANNUAL ISSUE  
**1938**  
 SURVEY  
 of  
 BUYING POWER

*Well!*

**How Much Should  
 Smith Sell? . . . . .**

*A certain food manufacturer's broker handles a territory composed of four counties of Pennsylvania. Smith, the broker, does NOT sell as much as he should of the particular edible, claims that his territory won't absorb more of the merchandise.*

*How can the manufacturer PROVE where Smith can get more business?*

A branch sales manager of the well-known Crown-Headlight Overall folk uses SALES MANAGEMENT's Annual Survey of Buying Power to handle situations like this.

When distributors complain of poor prospects, poor sales opportunities, Crown-Headlight salesmen pull out their copies of SM's Annual Survey (all salesmen in the territory have copies especially purchased for them), turn to actual records, show incomes and retail sales of their communities, show how big they are compared to less favorably situated sections.

Retailers see the light, see new possibilities, go to work to make the most of opportunities newly demonstrated.

That's one way to use this Annual Buying Power Survey. If you would like extra copies, order them ahead and we'll mail them with your regular issue on April 10th. SALES MANAGEMENT, 420 Lexington Avenue, New York.

**Annual Exposé of the U. S. Dollar**  
**April 10th Issue**



of the sign were upside down. Bert Ketchum, manager of the association, reports that the sign was quite an attention-catcher, and a lot of people called him up to say that the posting company had made a dreadful mistake. A competitor jumped in with a newspaper advertisement saying, "We would turn almost anything upside down to get a good mortgage loan." Mr. Steketee of the poster firm says he remembers back thirty years or so ago when there was a Force (breakfast food) sign with a man's foot at the point where his knee should have been, with the leg hanging down from the foot: That was an A-1 attention-catcher, he says. Sounds pretty gruesome to us.

We are always fascinated by the psychology of those who believe they capture a wider audience by making their message hard to read—by printing their message upside down and by mirror writing and the like. That brings to mind a story told by the Religious Editor of the New York *Evening Post*. The weekly announcement from a local church came to his desk one day, a carbon copy as usual, but with the writing backwards, as the carbon paper had obviously been reversed in the typewriter. Attached to the sheet was a note from the press agent (or whatever churches call them) with this bit of advice: "To read, hold in front of a mirror." That seems to us the height of something—maybe of the trusting innocence—and unmitigated gall—all press agents have.

**Foster Fiddle Bottle**

Since Repeal, and probably before, alcoholic beverage bottles have appeared in various comic, grotesque and romantic forms, to add eye-appeal and "background" to the taste-appeal of their contents.

More than usual tradition is embodied in a "fiddle bottle" recently developed by Bardstown Distillery, Bardstown, Ky., for Bourbon Springs straight bourbon whisky. Not only is the bottle truly fiddle-shaped, but when one sees the quart, pint, half-pint and miniature sizes, the impression is orchestral—from bull-fiddle down.

The reason for the shape, executives explained, is that it was at Bardstown, in 1852—perhaps with the aid of Bardstown Bourbon—that Stephen Foster wrote "My Old Kentucky Home."

Foster's old Kentucky home, incidentally, still stands there—visited annually by 100,000 persons.

Stephen Foster also wrote "Suwanee River," "Old Black Joe," "Susanna," "Massa's in the Cold, Cold Ground," and a lot of others—all of which, with the aid of the contents of a fiddle bottle, still sound pretty well.

**So Obvious, But It Worked**

Sweet-Orr & Co., Inc., New York manufacturers of work clothes, were slammed up against a vexing situation. Retailers handling their products have been reluctant to expose themselves to S-O salesmen and to the new lines now showing for Spring and Summer. This was true in spite of the fact, surveys revealed, that many stores are short on stocks and will certainly soon need the merchandise they are hesitating to order.

"Testing in several different localities," says R. B. Breckenridge, advertising manager, "we found that our representatives sold goods, and lots of it, if they were able to get their sample cases open to display the new line fully. Too often they were turned away by a refusal to look at any samples until later in the season. They didn't realize the importance of opening their samples at every opportunity on every call."

Therefore, Mr. Breckenridge sent each salesman a bulletin on wrapping paper that appeared to be torn open. A real can opener was attached. "'Where I could show my line they bought for Spring' is the report from all territories," read the copy. "Use skill, use persistence, use force if necessary, but *Get Your Line Open Immediately*—every call you make—and you'll be surprised at the results."

Sweet-Orr was surprised at the results, and gratified too. "The men are taking hold of an idea that would have been difficult to put across in any other way, and they are sending in orders of which we are mighty proud."



# \$550,000,000

## WILL YOU GET YOUR SHARE?

More than half a billion dollars! That, Mr. Advertiser, is the amount Indianapolis Radius families will spend in retail stores in 1938.

Again this year, hundreds of advertisers will use The News . . . ALONE . . . to reach and influence the cream of the buying power in this prosperous, responsive market. They know that the most efficient, most practical way to gain and maintain leadership for their products in the Indianapolis Radius is to concentrate in this leading newspaper.

### THE INDIANAPOLIS NEWS

New York: Dan A. Carroll, 110 E. 42d St. Chicago: J. E. Lutz, 435 N. Michigan Ave.

JANUARY 1, 1938

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# Sales Management

VOL. XLII. NO. 1

JANUARY 1, 1938

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### Notes from the Managing Editor's Desk

In an address delivered before the Illinois Manufacturers' Association a fortnight ago, Leonard Ayres, widely known economist of the Cleveland Trust Co., said: "The Congress would do more for the relief of the unemployed by repealing the undistributed profits tax than it could do by any other single enactment that it now has under consideration."

SALES MANAGEMENT's leading article this week is devoted to the same subject: An article in which company executives of typical medium-sized firms explain in concrete terms just how seriously the undistributed profits and capital gains taxes have paralyzed expansion plans.

\* \* \*

SALES MANAGEMENT's phones have been jingling with inquiries since we started the series of reports on MRCA's "5,000" survey. Most of those who called were anxious to know how many times this or that company's advertising was mentioned. In this issue we begin to name names. See page 44.

\* \* \*

Some time soon we shall include in SM an article on the important subject of how to "sell" the company advertising to the sales force. Many a firm is failing to realize the full sales potentialities of good advertising by slipping up on this part of the marketing job.

—A. R. HAHN.



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# Indispensable

to advertisers  
who want to cover

## America's First 3 Markets

in ratio to  
sales opportunities!



**1/3 of America's buying!**

More than one-third of all the retail sales in America are made in the 294 counties in which the First 3 Markets Group reaches 44% of all the families.



**H**AVE you seen the latest analysis showing how indispensable the First 3 Markets Group is to the advertiser who wants to apply advertising pressure in proportion to the sales opportunities in America's three largest metropolitan strongholds of buying power?

This analysis makes plain that without the use of the First 3 Markets Group no general magazine and no magazine supplement gives the intensive coverage of metropolitan New York, Chicago and Philadelphia which these great markets require and support.

If you want to develop the full sales potential of the huge First 3 Markets Group audience whose ability to buy is demonstrated by the display lineage leadership of each Group newspaper, ask your advertising counsel—or a Group representative—to show you this new analysis.

sepia at \$1.59 per milline  
4 colors at \$1.91 per milline

*First 3 Markets Group Advertisers* • ALBOLINE • BAYER'S ASPIRIN • BEECH-NUT GUM • CONCENTRATED SUPER SUDS • CAMPBELL SOUPS • CORONA TYPEWRITERS • CRANBERRY CANNERS INC. • DR. EDWARDS' OLIVE TABLETS • DRENE SHAMPOO • EDWIN CIGARS • FAY-MISS BRASSIERES • FELS NAPHTHA SOAP CHIPS • FLORIDA CITRUS COMMISSION • FREDERIC'S PERMANENT WAVE • G. E. MAZDA LAMPS • HELLMANN'S MAYONNAISE • IVORY SOAP AND FLAKES • JELL-O • KAFFEE-HAG • LIBBY'S TOMATO JUICE • LUCKY STRIKE CIGARETTES • MANICARE • MAZOLA OIL • MUSTEROLE • PALMOLIVE SOAP • PARKER PENS • PEPSODENT TOOTH PASTE • PHILLIPS' MILK OF MAGNESIA • SHEAFFER PENS • SHREDDED WHEAT • ELGIN WATCH CO. • WILDROOT HAIR TONIC • WOODBURY'S SOAP • SQUIBB'S TOOTH POWDER • SPRATT'S DOG FOOD • SUPER SUDS • TIMKEN OIL BURNERS • VIRGINIA ROUNDS • WESTMINSTER PIPES • SMITH BROS. COUGH SYRUP

# First 3 MARKETS GROUP

**1** NEW YORK SUNDAY NEWS • **2** CHICAGO SUNDAY TRIBUNE • **3** PHILADELPHIA SUNDAY INQUIRER  
WILLIAM E. FARRELL, 220 EAST 42nd ST. NEW YORK CITY, VANDERBILT 5-9292  
JAMES CRAWFORD TRIBUNE TOWER CHICAGO ILLINOIS SUPERIOR 0100  
KEENE FITZPATRICK KOHL BUILDING SAN FRANCISCO, CALIFORNIA, GARFIELD 7946

Circulation  
now over  
5,000,000

# Sales Management's Future Sales Ratings

## KEY TO RELATIVE SALES OUTLOOK RATING

- ★★★★★ Best Relative Outlook
- ★★★★ Very Good Relative Outlook
- ★★★ Good (Medium) Relative Outlook
- ★★ Fair Relative Outlook
- ★ Least Impressive Relative Outlook

NOTE: This compilation is based on the relative position of one industry compared with all industries. In other words, an industry marked ★★ may show noteworthy resistance to general sales declines, but its comparative showing may be far less favorable than that of another industry marked ★★★★★.

	Sales Prospect for Jan., Feb. & Mar.	Sales Prospect for Next 12 Months		Sales Prospect for Jan., Feb. & Mar.	Sales Prospect for Next 12 Months
Advertising.....	★★	★★★★	Lawyer's Income.....	★★★	★★
Air Conditioning.....	★★★★	★★★★★	Liquor (Alcoholic Bev.)..	★★★	★★
Aircraft (Sales of Air- planes).....	★★★★★	★★★★★	Luggage.....	★	★★★★
Aircraft (Passenger Travel).....	★★★	★★★★	Machine Tools.....	★★	★★★★★
Autos (New Car Sales).....	★	★★★	Machinery (Agr'l).....	★★★★★	★★★
Auto Tires.....	★★	★★★	Machinery (Ind'l).....	★★	★★★★★
Baked Goods (Bread).....	★★★★★	★	Meats.....	★★★★	★★
Baked Goods (Specialty).....	★★★	★★★	Metal Containers.....	★★★★★	★★
Banks (Revenues).....	★★★★	★★★	Motion Picture Receipts.....	★★★	★★★★★
Beer.....	★★	★★	Musical Instruments... ..	★	★★★★★
Building Materials.....	★	★★★★★	Office Equipment.....	★★	★★★★
Candy & Chewing Gum	★★★★	★	Oil (Cooking).....	★★★★	★
Canned Fruits and Vegetables.....	★★★★★	★★★	Paint.....	★	★★★★★
Cereals.....	★★★★★	★	Paper (Newsprint).....	★★	★★★
Chemicals (Misc.).....	★★	★★★★	Paper (Wrapping and Container).....	★★★	★★★
Cigarettes.....	★★★★★	★★	Photographic Supplies..	★	★★★★★
Cigars.....	★★★	★	Physicians' and Dentists' Income....	★★	★★
Clothing (Men's, Women's, Children's)	★★	★★★	Plastics.....	★★★★★	★★★★★
Coal Anthracite).....	★★★★★	★	Printing and Publishing Equipment.....	★★	★★★★
Coal (Bituminous).....	★	★★★★★	Radios.....	★★	★★
Cosmetics.....	★★★	★★	Railroad Equipment... ..	★	★★★★
Cotton Textiles.....	★★★	★	Railroad (Net Income)..	★	★★★★★
Dairy Products.....	★★★★★	★	Rayon Textiles.....	★★★★★	★★★
Department Stores.....	★★★	★★★	Real Estate Rentals... ..	★	★★★
Diesel Engines.....	★★★	★★★★★	Refrigerators.....	★★	★★
Drugs and Medicines... ..	★★★	★	Restaurants.....	★★★	★★
Electrical Equipment (Heavy).....	★★	★★★★★	Rural Stores.....	★★★★★	★★★
Electrical Equipment (Light).....	★★★	★★★	Shipbuilding.....	★★★★★	★★★★★
Exports.....	★★★★★	★★★★★	Shoes.....	★★★	★★
Flour.....	★★★★	★	Silk Textiles.....	★★	★★
Furs.....	★	★★★★★	Soap.....	★★★★	★
Gasoline and Oil.....	★★★★★	★★★★★	Soft Drinks.....	★★★	★★★★
Glass (Plate).....	★	★★★	Sporting Goods.....	★★★★	★★★★
Groceries.....	★★★★★	★	Stationery (Comm'l)....	★★★	★★★
Hardware.....	★★	★★★★★	Steel and Iron.....	★	★★★★
Hotels.....	★★★	★★★	Sugar.....	★★★★	★
House Furnishings (Floor Coverings, Furniture, Beds, etc.).....	★★	★★★★★	Toothpaste and Mouth Washes.....	★★★★	★
Household Products (Kitchenware and Miscellaneous).....	★★★★	★★★	Toys and Games.....	★★★★	★★★
Imports.....	★★★★★	★★★★★	Trailers (Auto).....	★	★
Insurance (Misc.).....	★★	★★	Travel (Sea).....	★	★★★★★
Jewelry.....	★	★★★★★	Trucks.....	★	★★★★
Laundry.....	★★★	★★★	Utilities—Electric....	★★★★★	★★★★
			Utilities—Gas.....	★★★★	★
			Utilities—Telegraph... ..	★★	★
			Utilities—Telephone... ..	★★	★★★★
			Washing Machines.....	★	★★★★
			Woolen Textiles.....	★★★	★★

PREPARED BY PETER B. B. ANDREWS, and specially copyrighted by SALES MANAGEMENT, INC. Reprints of this page are available at 5 cents each, minimum order, \$1.00. 20% discount on standing orders for 25 or more monthly. SALES MANAGEMENT, INC., 420 Lexington Avenue, New York, N. Y.

## High Inventories Increase Demand for Promotional Talent

The depths to which business activity has fallen makes early recovery from the current base practically inevitable, in the estimation of a majority of authorities who regularly check SALES MANAGEMENT's Future Sales Ratings. Principal future question boils down to extent and duration of improvement. This, in turn, hinges on the degree of absorption of current generally large inventories and the all-important restoration of confidence among business men.

General inventories have declined, but are still high in most lines, and with purchasing power shrinking rapidly through smaller government spending and contracting national income, the means of reducing them is declining. Price reductions or basic cheapening of lines are growing; opportunity for advertising and promotional talent should be soaring.

### Spurt Early in 1938

The record-breaking drop in production activity of course is favorable to inventory reduction, but it undermines the all-important ability and incentive to buy. Such incentive comes back to the restoration of confidence which must be effected before a healthy economic recovery can materialize. Trust-busting, price-fixing and labor-regulation activities of the government are disquieting. On the other hand, the Administration is concentrating on a program to promote a housing boom, induce the utilities to spend more in publicly financed expansion and modernization, aid the railroads, and increase international trade.

Cooperation of business with the government in present circumstances probably will be slow, and after a spurt in production and sales early in 1938, a substantial reaction is possible. Nevertheless, resumption of the fundamental upturn seems certain to get under way in the latter half of 1938 if not before then; the Administration, in fact, has control of more weapons for depression-fighting than at any other time in the nation's economic history.

SALES MANAGEMENT's Future Sales Ratings takes all these factors into consideration, and reflects the opinions of more than 40 authorities, including editors of trade magazines and statistical services, bank economists, trade associations and industrial analysts.

SALES MANAGEMENT





## *A Sower Went Forth . . .*

You recall the familiar parable:  
"A sower went forth to sow; and when  
he sowed, some seeds fell by the way-  
side, and the fowls came and devoured  
them up. [COMPETITION]

"Some fell upon stony places, where  
they had not much earth; and forthwith  
they sprung up . . . and when the sun  
was up . . . they withered. [TRANSIENT  
BOOM]

"And some fell among thorns; and the

thorns sprung up and choked them.  
[SUBSTITUTION]

"But others fell into good ground, and  
brought forth fruit, some a hundredfold."

Applied to the selling of goods, the  
parable shows the advantage of selective  
marketing.

Applied to the selling of goods in  
Providence, it pictures the fertility of a  
Major Market high in sales volume, low  
in selling costs.

## In 1938 Sow Some of Your Seeds in This **NET PROFIT Market!**

### **VOLUME**

A state market of metropolitan scope and con-  
venience: 680,000 consumers, 92% urban, with  
effective buying power 4th highest of all states,  
stabilized by diversified industry.

### **SALES**

\$220,000,000, at a per capita rate 18% above the  
U. S. average . . . through 9,000 retail outlets  
easily reached, sold and serviced from the  
Providence wholesale center.

### **LOW COST**

Selling costs lowered by compactness and popula-  
tion density unique among states. Advertising  
cost minimized by Journal-Bulletin coverage:  
practically 100% in Greater Providence . . . in  
Rhode Island as a whole 3 out of 4 families.

### **RESPONSE**

Consumers of the metropolitan mass, and of the  
large wealthy class, respond to the same medium.  
Their dealers know it, and buy and sell with  
Journal-Bulletin advertising power in mind.

## **Providence Journal-Bulletin**

*Dominating New England's Second Largest Market*

REPRESENTATIVES: Chas. H. Eddy Co., Inc. • New York • Chicago • Boston • Atlanta

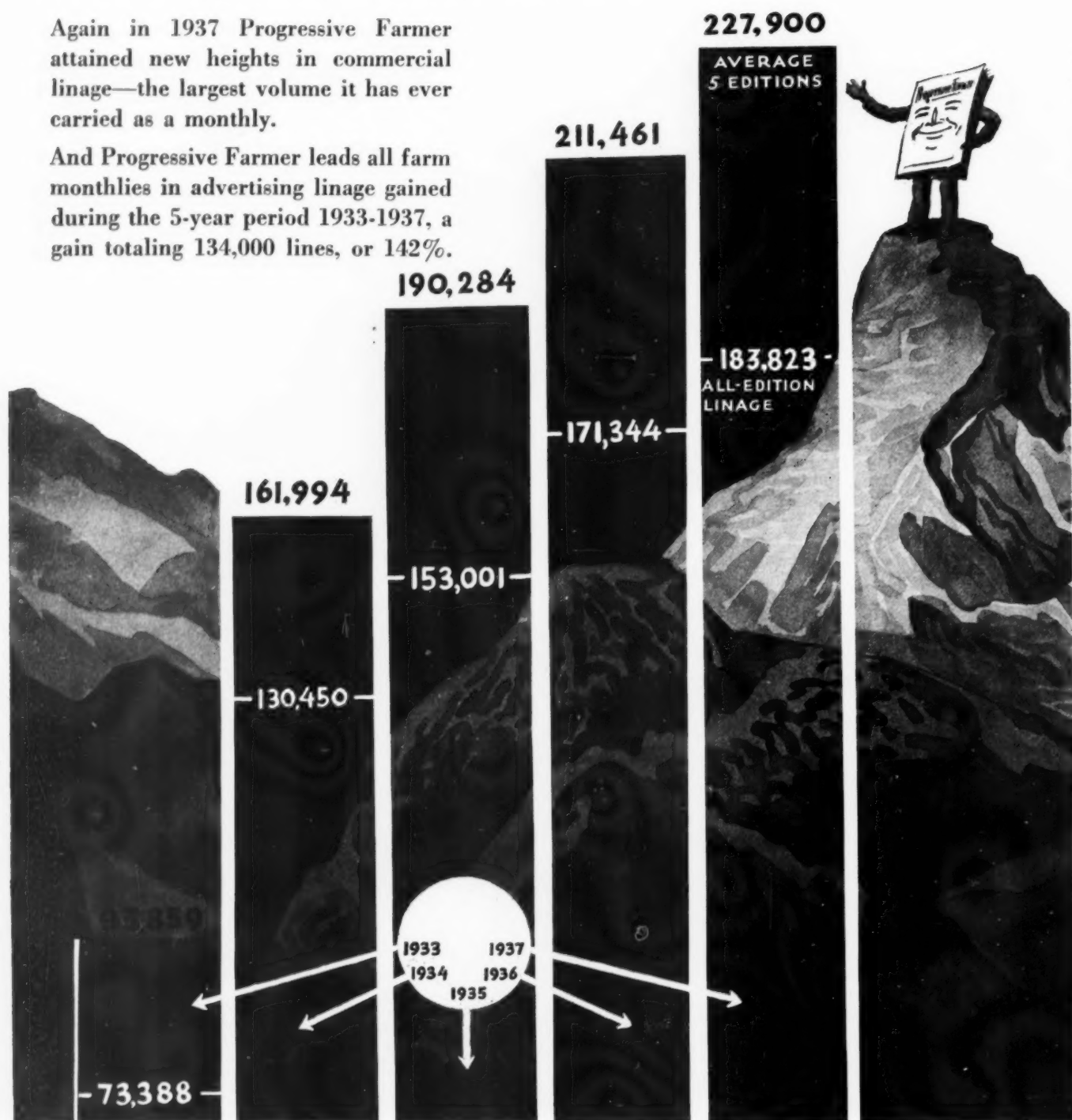
R. J. Bidwell Co. • San Francisco • Los Angeles

# Scaling New Peaks

## IN ADVERTISING LINAGE

Again in 1937 Progressive Farmer attained new heights in commercial lineage—the largest volume it has ever carried as a monthly.

And Progressive Farmer leads all farm monthlies in advertising lineage gained during the 5-year period 1933-1937, a gain totaling 134,000 lines, or 142%.



BIRMINGHAM  
250 Park Avenue, NEW YORK

RALEIGH

MEMPHIS  
Daily News Bldg., CHICAGO

DALLAS

**Progressive Farmer**  
*and Southern Ruralist*

"IN THE RURAL SOUTH, IT'S PROGRESSIVE FARMER"

# Significant Trends

As seen by the Editors of SALES MANAGEMENT for the fortnight ending January 1, 1938:

## To Fight—Or Not to Fight

sively—or shall we wait until we're sure the recession or depression or whatever-you-care-to-call-it is over, or at least until Congress has passed new laws which we like and cast out present ones which we don't like?

• • • The old Benjamin Franklin method of arriving at a decision by studying the pro and con elements might be helpful in the situation. . . . Here's a start: readers can expand or modify the good and bad features as they choose:

### BAD—OR UNCERTAIN

National income is decreasing.  
Inventories are above normal.  
Labor is militant.  
Washington is "running things."  
Taxes are a burden.  
The recession may be prolonged.  
Wall Street is depressed.  
Building is sub-normal.  
Relief costs will mount.  
Unemployment isn't improving.  
Don't know what my competitors will do.

### FAVORABLE

Income is down as compared with early 1937—but well above the 1932-1934 period.  
The inventory situation is improving rapidly.  
Washington is "in" until 1940, and nothing can be done about it.  
My chances are best when competitors are frightened.  
Banks are strong.  
Money is cheap.  
Very seldom can any of us call the turn within six months.  
Wall Street has been wrong before.

• • • To readers who follow Franklin's example and are still in a quandary, may we recommend the article by Cy Norton of the Strathmore Paper Co. on page 20?

• • • John T. Flynn, who writes daily for the Scripps-Howard papers, is a realist who doesn't let his emotions get in the way of straight thinking on economic problems. Perhaps his summing up of the situation may be helpful:

• • • "Production generally is far below what it was this time last year, but retail sales for November were actually higher than they were last year, which means that while customers were buying more, storekeepers were buying less and hence factories were producing less.

• • • "Some months ago I predicted that we would have a very active Christmas business, but that general business otherwise would decline, and this is exactly what is happening. The reason for it is that in periods of decline it is the storekeeper and the manufacturer who get frightened first—long before their customers do.

• • • "I do not believe there has been any strike of capital, or that there is any conspiracy among business men, by shutting down factories, to produce a depression and ruin Roosevelt. But I do believe that business men are now under the dominion of their hatred of Roosevelt. It shapes their thinking and colors their outlook.

• • • "If they had got together and raised a billion-dollar fund to advertise a coming depression, they could

not have succeeded more effectively than they have done by their conduct in the last three months. They have added to the natural fears and timidities of the merchants who buy their goods, and they have been rewarded with canceled orders. I do not believe it is their attitude which has caused the recession, but it is certainly hurrying it and making the recovery more difficult."

• • • The trouble with most of us as readers or as listeners is that we see or hear what we want to see or hear, and largely ignore the other side. We read that steel production has gone down—but we ignore a statement in the same paper in which Standard Statistics proves that steel production is valueless as a barometer—that it follows or moves parallel to, never precedes, general business. We read that So-and-So has laid off 5,000 workers and we get the same pleasure that we sometimes get when we poke an aching tooth; we pass over a story in the same paper that the Campbell Soup Co. is so "discouraged" that it is increasing its advertising appropriation some two million dollars in 1938 over 1937.

## Speaking of Advertising

So far we have kept away from the customary New Year predictions—but now we will hazard one: that the promotion picture in the first few months will be very spotty. Some ordinarily large advertisers will cut 'way down or stop entirely—but (this is the meat of our prediction) *there will be no industry in which at least one company will not take advantage of the opportunity to steal a march on its quiescent competitors.* The situation is ready-made for successful action.

• • • A poll just completed by the Association of National Advertisers, Inc., shows that the 1938 advertising plans for 150 leading companies are on the average being laid so that the year's figure is tentative and subject to change every three months or even less. Seventy-seven per cent of the companies do not expect to spend less in 1938 than in 1937, but, as President Paul B. West points out, "should the present recession be aggravated and sales continue to drop, budgets will be curtailed."

• • • During the fortnight *Editor & Publisher* gathered year-end statements from advertising agencies from coast to coast and these statements tend to confirm this writer's feeling that the temporary bad news in the business situation may have somewhat outweighed the good, but that all of the emphasis has been focused on the bad news. Tracy-Locke-Dawson, Inc., say that they have only one advertiser who will reduce expenditures for the first half of 1938 and that collectively their clients will spend 12% more. The Alley & Richardson Co. say "advertising schedules of our clients in almost all cases will show an increase in 1938 over 1937. Van Sant, Dugdale & Co., analyzed 22 clients' programs and found that four will spend the same money this year as last, two have reduced their schedules, one has made only a partial commitment and fifteen have committed themselves to increases.



● ● ● Lord & Thomas on the Pacific Coast say, "We are working on plans now, but appropriations have not been definitely set. However, prospects appear as good if not better than they did a year ago." Out of twelve clients in the Erwin, Wasey office in Los Angeles, two are planning increased advertising. Gerth-Knollin Agency, also on the Pacific Coast, says that three of their principal clients have already planned 1938 budgets larger than in 1937, while the Fitzgerald agency in New Orleans says "Budgets—none down, several up. One major account up 10%. One smaller account 60% increase, another, an even 100%."

● ● ● If we were a manufacturer we would be inclined to hope that these reports from advertising agencies were over-optimistic. Sellers of space naturally want every company to undertake aggressive and consistent advertising campaigns, but the canny manufacturer prefers to have some, if not all, competitors asleep at the switch so that he may run away with the business.

● ● ● While we are about it, we might as well make one more prediction, which is a follow-through on the other one: *We predict that if the majority of manufacturers pursue a period of watchful waiting during the early part of 1938 there will be extraordinary reversals in the sales and profits rankings of companies in nearly every industry at the end of the year.* Companies which have ranked third or fourth in an industry have the opportunity of their lives to jump to first place. There never has been a time in our industrial history when all of the units in an industry could be roped together and tied to a common purpose, whether that purpose be hours and wages of labor, prices, union recognition, fair trade practices, or what have you. They will not get together this year. Here and there you will find outstanding examples of business men who refuse to be ruled by mob fear and who will forget Wall Street and forget Washington and go out and carve a bigger slice of the total business for themselves.

## Have We Seen the Worst?

Glenn Griswold, publisher of *Business Week* and a vice-president of the McGraw-Hill Co., told the

American Management Association last week that the bottom of the present recession has been reached and that by the end of the first quarter of the new year there will be a definite rise in business which will continue steadily during the year.

● ● ● His optimism is shared by the majority of the economic and financial services, but there are several examples of men or organizations who correctly predicted the present recession and who now do not look for any permanent improvement before next September.

● ● ● In nearly every line consumption in November and December exceeded production. Complete figures are not in for December retail sales, but it was a good, though not record-breaking, Christmas trade. Federal Reserve Board figures for the first half of December showed a 4% gain for New York and Brooklyn stores—and New York has been far harder hit by the mob psychology of fear than the other sections of the country.

● ● ● A survey of 5,000 companies by the United Business Service reveals inventories of 53 of the reporting units at normal, 11% sub-normal and 36% above normal.

[ 12 ]

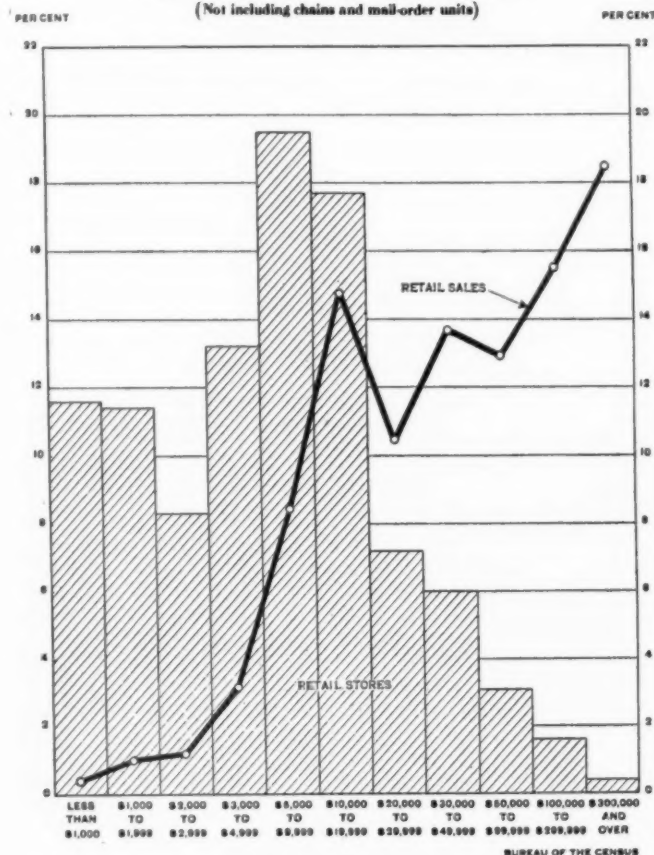
● ● ● *Drug Trade News* is conducting a survey among manufacturers in the drug trade to find what they are doing about the Miller-Tydings Act. The preliminary report shows that 72 companies are planning to send out contracts to all states where price maintenance is legal and that 27 others have already taken this action. 21 are planning to send contracts to some states and 86 already have done this.

● ● ● One-half of the native white families in New York City had incomes less than \$1,814 in 1935-36. These figures come from the nation-wide survey of urban consumer purchases conducted by the Bureau of Labor Statistics. About 50% of New York's Negro families had incomes below \$837. A third of the native white families surveyed were in the wage earner group, one-quarter were engaged in clerical occupations and one-fifth in business or the professions.

● ● ● The median income of wage earners was \$1,721, while the highest median income was found among the professional group, where the median was \$3,789.

● ● ● At the same time that the New York City figures were released, the Bureau of Home Economics made public the results of its study of 140 villages selected as representative of American village life. This report says that half of the 22,644 native white families studied in the same one-year period covered by the New York City study were living on incomes of less than \$1,100 annually. The highest median income was found in the California villages—\$1,149.

CHART 6. PERCENTAGES OF TOTAL RETAIL STORES AND SALES BY SIZE OF BUSINESS FOR 1935.  
(Not including chains and mail-order units)



A stirring sermon on the importance of selective distribution could be built around this chart analysis of retail distribution. Stores doing more than \$20,000 a year represent only 18% of the stores, but they do more than 70% of the business.

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**Taking Over:** Headed by Harry E. Thompson, refrigeration pioneer, a new group has bought control of Copeland Refrigeration Corp. Left to right are E. C. Burr, who continues as treasurer; Oskar H. Buschmann, new chief engineer; Dallas E. Winslow, former company head; W. G. von Meyer, who continues as s.m.; F. B. McKaig, former v.p.; new President Thompson signing the contract; Charles L. Curtis, v.p.; Frank J. Gleason, v.p.



*Ben Pinchot*

**GF to R & R:** (Above) C. Lawton Campbell, former v.p. of General Foods Sales Co., has become a director and v.p. of Ruthrauff & Ryan, where he will head all the agency's radio activities.



**Federal Agent:** (Left) K. M. Schaefer is named gen. s.m. in charge of domestic sales and ads of Federal Motor Truck Co., Detroit. His previous business connections include national s.m. of Norge Corp., with Silver Dome, Inc., and Pontiac Motors.

**Mounting:** Charles E. Wilson, v.p. of General Electric, who started with the firm as office boy in 1899, is made executive v.p., a newly created position. At extreme right is Philip D. Reed, elected by GE as assistant to the president. He joined in 1926.

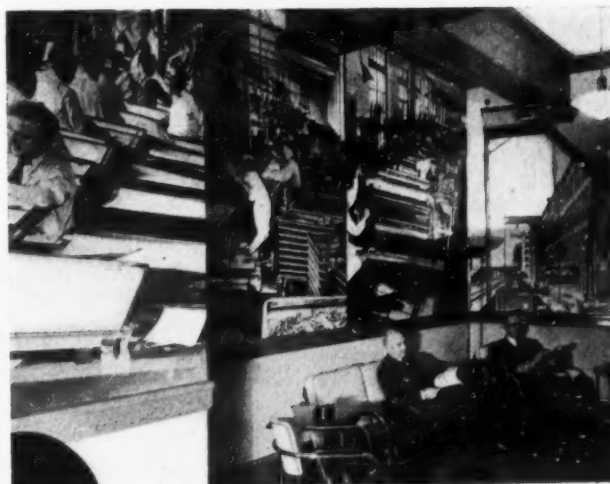
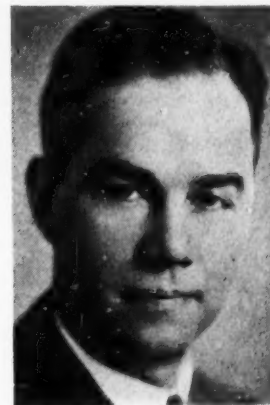


## NEWS REEL



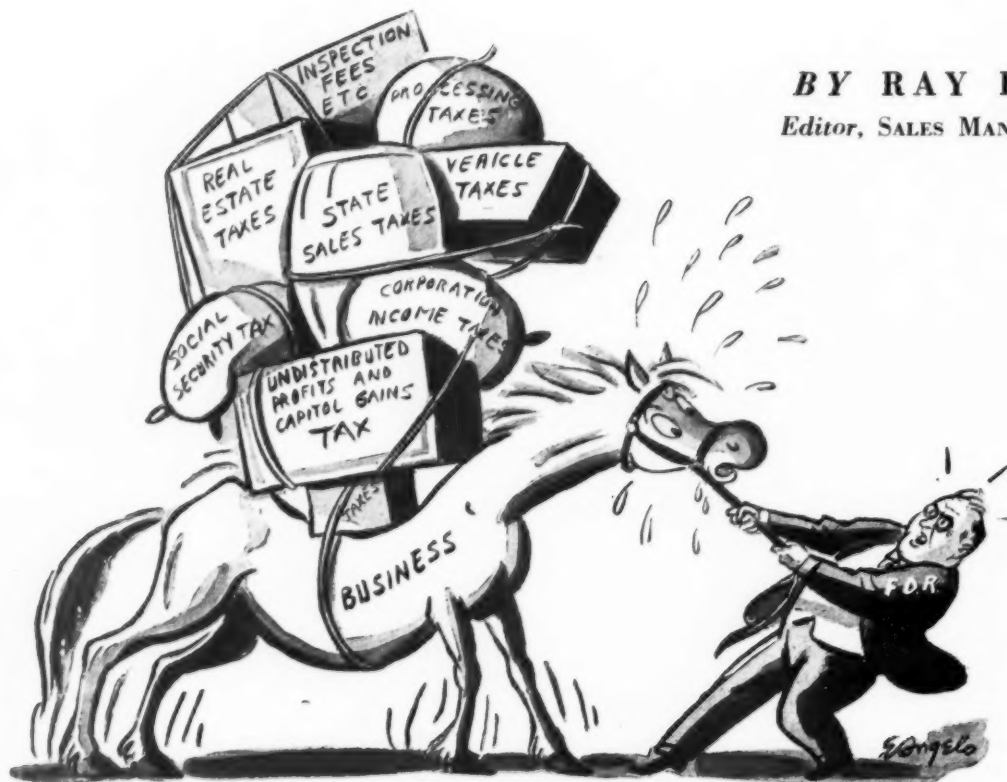
**Grinder Trouper:** This surface grinder, mounted on an auto trailer, is used by Diamond Machine Co., subsidiary of Builders Iron Foundry, Providence, R. I., for demonstrations. It may be detached from the car and taken to the shop floor, where its points are explained under actual working conditions.

**Promoted:** (Below) Paul R. Davis has been appointed regional manager in charge of Studebaker Corp.'s Atlanta branch. He has been with the auto firm's field organization for 13 years.



**First to Last:** Photo-murals in the new reception room of Crompton & Knowles Loom Works, Worcester, Mass., depict the manufacture of looms from drafting room to freight delivery car. Luce Commercial Studios did the murals.

BY RAY BILL  
Editor, SALES MANAGEMENT



## What About Proof That Taxes Are Strangling Business?

The undistributed profits and capital gains taxes are under heavy fire because they are holding back a vast amount of re-employment which otherwise would be made possible by plant expansion and modernization, as well as by building and realty operations of many kinds.

**B**ROAD statements are breaking out on all sides about the pernicious effect on American business of the tax on undistributed profits and the capital gains tax. By now there is a solid front on the part of business in the fight for repeal or revision of these taxes.

Both of these taxes will be sharply debated in the forthcoming session of Congress. Some factors advocate complete repeal of both taxes. Other factors, including leaders in the Administration and in the House and Senate, are pushing for substantial revision to remove what are broadly termed inequalities and inequities. Sales executives are naturally concerned with these taxes, because whatever stifles the volume of business activity and of employment necessarily stifles the opportunity for wider markets.

Certainly neither tax has produced

the anticipated revenues. Congressman Celler has publicly stated that whereas the capital gains tax of 12½% which applied in the Revenue Act in 1921 yielded from \$250,000,000 to \$330,000,000 in a single year, the present tax with its higher rates is probably not responsible for more than \$50,000,000. Apparently such a tax is subject to the law of diminishing returns.

Comparable data with respect to the undistributed profits tax are, of course, not available, but few claim it has produced anything like the hoped-for revenues. Indeed, it becomes increasingly clear that neither measure is satisfactory from a revenue producing standpoint. Nor is either sound from the standpoint of inducing private business and private capital to take the risks involved in expansion, modernization and other activities which are prerequisite to large increases in the

number of employed. In short, labor has the biggest stake in getting these ill-conceived measures at least greatly modified, and private entrepreneurs have a lesser stake which is nevertheless of prime importance under our economic system.

In periods when business profits are subject to rapid fluctuations, it takes courage to risk privately owned capital. It is asinine for any one to assume that profits earned in a business and re-invested therein represent actual liquid profits. They represent *additional risks* which private capital is willing to take for the common good—as well as for private gain, provided the incentives are great enough to lure capital away from tax exempt securities and other conservative but more or less inert sources insofar as accelerated business activity is concerned. Apart from funds for re-investment in business, there is no

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small need for ample cash reserves, with which to retire debt and assure a fair volume of employment through bad times. Then too, business needs cash reserves to sustain the unemployment security supposedly provided by our national and state laws.

As a punitive or "soak the rich" method of taxation, even assuming that such taxes are desirable, they fail of their purpose. On the other hand, they throw a tremendous obstacle in the face of accelerated employment. They really put a *heavy tax on labor*, because they take 100% of the income of the hundreds of thousands or millions who, through these laws, are deprived of jobs and any income at all save possible subsistence doles by Governmental or private charity. Even this latter solution constitutes an additional load on the remaining volume of business and employment.

As far as relatively big business is concerned, the competent surveys conducted by the National Industrial Conference Board, the Brookings Institution, *Business Week* magazine, and the National Association of Manufacturers, thoroughly prove that the disadvantages of these taxes far outnumber and far outweigh their alleged advantages. These surveys also show that these taxes in no small degree limit the enterprise of our largest scale entrepreneurs.

### The Case of Small Business

As regards small and moderate size business, the case is even stronger, although equally competent technical surveys have not been made in this field on a quantitative scale. But any kind of cross-section test produces the same answer: That these taxes are vastly more detrimental to small and moderate-sized concerns than to the larger ones. Moreover, the smaller concerns constitute the vast majority of the business entities of the nation.

Because so little has been done with respect to the smaller size companies, SALES MANAGEMENT has undertaken to look into this phase and thereby supplement the excellent research work which has already been done with respect to so-called big business. We do this fully recognizing that the elimination or substantial alteration of these two taxes will probably not result in reducing the total of the tax load but only in shifting the tax technique to policies which are sounder from the standpoint of (1) the amount of private capital which can be put to work, (2) the national economy and (3) the total of employment at relatively high rates of pay.

JANUARY 1, 1938

As Congressman Celler has said: "What we need most in Washington is not reform by taxation but reform in taxation in order to expedite and sustain the recovery movement." And in connection with this whole study, it is interesting to note that our more experienced sister nation across the sea, England, has scrupulously avoided capital gains taxes and for reasons deserving of most careful consideration by all concerned with the principles of taxation in this country.

### Government's Big Opportunity

Finally, we make the point that none is as well qualified to tell what affects business adversely as are business men themselves. So if Government is sincere in looking for the ways and means of cooperating with business, it will do well to heed the virtually unanimous thinking on the part of business leaders with respect to the unsound, oppressive and obstructive nature of the two taxes under discussion in this article.

The editors of SALES MANAGEMENT believe the gravity of the situation caused by these taxes can best be understood by looking at *specific* cases. Consequently the editorial staff of this magazine has been talking, personally, and by letter, to presidents of moderate-sized companies the country over to find out just *how* these laws have dammed up the flow of goods and the re-employment of men.

The reports are shocking—and heartbreaking. They contribute more than we can describe to an adequate explanation of the present business recession. They show, particularly, how the small and medium-sized concerns are being hamstrung in the direction of aggressive conduct of their businesses.

When the facts and figures which appear in these reports are projected to represent all American business, they convey a message no responsible Congressman or Senator can ignore.

Time and again presidents tell us of factory additions and new buildings which would have gone up this year, or would have been started, had the undistributed profits and capital gains measures not forced management into a retrenchment program. The loss to the building industries—steel, concrete, lumber, lighting, plumbing, paint, builder's hardware, shingles, roofing, tiles, floorings, pipes, electrical equipment—all of them—alone is appalling, to say nothing of the number of jobs for men which might have been created had

all this expansion activity been able to proceed.

Many of these manufacturers need—and want—sound-proofing, air conditioning, plant modernization, and a host of other things which call for materials and men. Some companies—like one we know in Milwaukee—can't meet demand with their present factory facilities, so successful has their marketing and advertising plan proved to be during the last two years. Yet they abandoned plans for a big addition to the factory, plus the investment that would have gone with it for machinery to equip, because such a large share of the profits will go to the government and thus deplete working capital.

### Twenty-two Typical Cases

The medium-sized and smaller companies with limited capital are, in many instances, just beginning to pay off indebtedness which accumulated during the worst of the depression. Meantime their plants have run down. They need building rehabilitation and, particularly replacement of obsolete or obsolescent or wornout machinery. With some of these firms faced with the necessity of borrowing from the banks to pay the profits and capital gains taxes this year, no one need wonder that the boards of directors have clamped down on all but the most necessary additional capital expenditures.

And now for specific cases. Those mentioned here are run-of-the-mill reports from varied industries in different geographical areas. We wish we had five times as much space in this issue to give to more statements, if only to demonstrate the importance of the alarming repetition of the same theme, and to prove that these cases are indeed typical rather than exceptional.

By D. W. JANOVER

President, S. Gumpert Co. Inc.,  
New York

We go on record, absolutely, in saying that if it were not for the undistributed profits tax and capital gains tax, we would certainly be inclined to enlarge our activities. We have just moved into a new plant and have expended a sum of money that runs high in five figures. Now we come toward the end of the year, and we have to figure on a fairly substantial dividend to our stockholders, which must come out of our cash position. Were we able to retain this cash position, we would have spent, conservatively, 50% more than we did spend. We would have put in newer equipment and more of it. We would also have indulged in sound-proofing, air conditioning, newer and more

(Continued on page 58)



## World Experience in Every Gallon



ENSURES HIGHEST QUALITY PRODUCTS

Tent shows carry the Shell "World Experience" story to small places not reached by the company's other advertising; outdoor posters, of which these three are typical, build incalculable interest and good will.

# "Experience" in 56 Countries Puts Shell Across in Canada

In 1929 Shell Oil ranked tenth in sales in the Dominion, and was bucking big and well-entrenched competition. This year Shell ranked second in sales only to Imperial. The advertising strategy responsible for the increased volume is explained in this article.

**BY  
LAWRENCE M.  
HUGHES**

**W**HEN a motor fuel advertiser starts a campaign, the chances are he will tell you about one or all of these: More mileage, more power, quicker starting and no-knocks.

Such themes, in themselves, of course, are logical enough. These qualities are the ones motorists seek in buying gasoline. But when several advertisers start talking at once, in the same area, about their superior power, or their superior mileage, the motorist wonders. It just doesn't make sense. They can't all be uniformly "superior."

And so the motorist probably de-

cides to forget about them, and goes right on buying his customary brand.

In such a situation, even "sanitary washrooms" or "friendly service" or "happy motoring" provide relief, and perhaps some sales.

In its debut in 1929, Shell Oil Co. of Canada, Ltd., decided that it must have something not only logical but *distinctive* to say about its products. It must tell a story *unique* to Shell. And in the process, it must have a long-range, long-pull, well-rounded merchandising program on such a dominant theme to see the thing through.

Collectively, the Shell group of companies in many countries are well established and big. But in 1929 Shell of Canada, though related to the others, was the infant of the family. The child had growing pains. Probably it could sense more growing pains—as, if and when it ever grew to be a major "contender" for the Canadian market.

At the end of that year Shell had only a few of its own stations in all Canada. It did not even refine there. It ranked tenth in sales. The nine above it were large, strong, well-entrenched concerns, led by Imperial Oil Co. of Canada, which is controlled by Standard Oil Co. of New Jersey.

This year, however, Shell of Canada ranked second in sales only to Imperial. From its start in the Provinces of Quebec and Ontario it has spread through Maritime Provinces and the next step will undoubtedly be the Prairie Provinces. Shell has thousands of stations now—plus a lot of dealers. And the annual volume of the original

stations has more than doubled since 1929.

The company's annual advertising expenditures have increased in this period from \$75,000 to \$250,000. The industry's annual sales increase in Canada has averaged 9 or 10%. Shell sales have risen more than twice as rapidly—with a consistent gain of 20 to 25% each year.

The promotional themes employed have been emphasized usually for three-year periods. In addition to being distinctive and sales-developing, the themes are also *institutional*. For Shell realized it had a "name" to establish and develop among the Canadian people.

In 1933-35, inclusive, for example, the theme was "Sealed Pumps" for gasoline. This was applied immediately after their introduction of sealed, bottled oil. By dramatizing the dangers of substitution, Shell also put over the idea of quality.

The current theme, introduced last year, is "World Experience in Every Gallon."

The Shell group may not be the biggest factor in the world's oil industry, but probably it is the most widespread. Shell products are sold in 56 countries.

As members of the far-flung British Empire, the Canadian people have a wide perspective. The company also believed that Shell's experience in providing products to meet the world's problems of climate, altitude, etc., was an important factor in its ability to serve the 12,000,000 people of Canada. Some of these people live in

SALES MANAGEMENT





great cities such as Montreal and Toronto. But many of them are scattered across 3,695,000 square miles, sometimes with only primitive roads or no roads at all to connect them with one another. Some live at sea level, some thousands of feet up in the Canadian Rockies.

And so, monthly, from April through September last year and this (the series started in May in localities where Spring comes later) Shell proceeded to depict the diversity of its "World Experience." Shell's representatives in 56 countries provided photographs of these operations.

A giraffe is shown beside a Shell truck at Fort Archambault, Oubangi-Chari, Central Africa. The ad says, "A giraffe wouldn't like the roads *you* drive. But Shell uses the land he roams to improve your motoring."

Are mountains a big part of your motoring problem? Shell reproduces one of its stations on the new Grossglockner road in the Austrian Alps. The headline is: "Experience 8,000 feet up whisks your car over hills."

Many motorists in high temperatures or altitudes have found their engines fail them from "vapor-lock." Shell shows a picture of one of its pumps in the Sahara Desert, with this suggestion: "You don't cross the Sahara—but you need a gasoline that could! . . . Shell knows how to make gasoline to operate *your* motor smoothly on the hottest Canadian day. And in other parts of the world Shell has learned how to make your car climb hills without lagging, start at once on cold mornings, reach top speed quickly."

"Vapor-lock" is discussed, too, in

other ads. One is headed, "On the Road to Mandalay." In this "Shell's experience" in the Alps, the Australian deserts, "in the world's great cities . . . in Canada's Rockies," also are cited.

Some of "Shell's Experience" ties in with current news developments. One reproduced Imperial Airways' great flying boat Caledonia, re-fueling at Montreal for continuation of her trial flight from Southampton, England, to New York and return, to blaze the trail for regular trans-Atlantic service by Imperial and Pan American Airways. "Shell Awaits Her at Every Port of Call": At Southampton, Foynes, Ireland, Botwood, Newfoundland, Montreal and New York.

Always, Shell says, in effect: "If we can make gasoline to solve the problems of every country, we can easily overcome all of yours."

In addition to building sales and prestige among motorists directly, the "experience" program, in its various aspects, has attracted a lot of general interest among the Canadian people.

For instance, there is a poster, both 3' x 5' and 24-sheet in size, which reproduces the stamps of 22 countries—major powers, such as England, France, Japan; little places such as Liechtenstein and the Bahamas; far away places, such as New Zealand and Dutch East Indies and Kenya, Uganda, Tanganyika.

The posters, which are changed

monthly, are used at filling stations and on separate outdoor spots. For the first series of 12, Shell has received a total of 14,000 requests for the 3 x 5 reproductions, from schools, libraries, clubs, individuals.

Other posters in the series have been devoted to the people, costumes, birds, animals, fish, watercraft, landmarks, flags, etc., of many nations.

The posters "reach" probably many times the number of people who originally receive them. Among letters requesting and acknowledging them are many from schools, who point out that hundreds of students see and study each. Requests have come not only from Canada but from the United States and other countries.

A high school principal in Brooklyn wanted "birds" and "races of man" for use in biology and other classes. A Buffalo sales executive (pottery) asked for the world's people, for some reason, "to use in a classroom."

Some go into homes, for study by both parents and children. A Duluth woman, acknowledging receipt of a couple of sets, pointed out that on a recent journey of "3,200 miles, to Quebec City and return," Shell service

(Continued on page 56)

Illustrations for newspaper advertisements show Shell being sold in almost every corner of the earth; copy stresses the never-failing quality of a gasoline tailored to meet the varying conditions of these far-flung places.





BY  
BRUCE CROWELL

# Hit and Run Salesmen

A PUBLICATION called "*The Printed Word*" reports a piece of research done by a group of retailers at the behest of a certain manufacturer, the results of which carry a cogent meaning for everyone who sells. In it 1,000 dealers kept records for six months to get an answer to two questions: How many calls do salesmen make before they quit calling? And how often does a salesman call before the dealer buys?

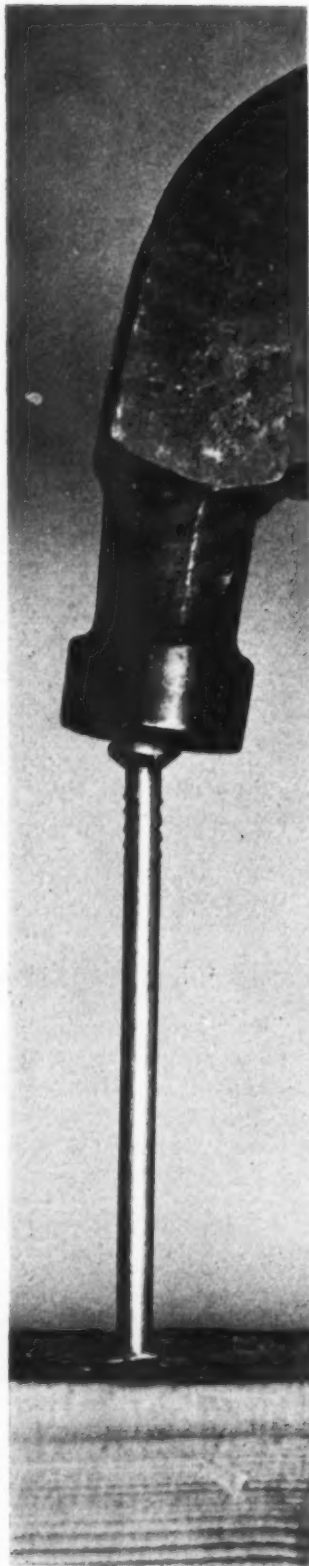
## Replies to Question 1:

- 48.2% of the salesmen made one call and quit.
- 24.4 of the salesmen made two calls and quit.
- 14.7 of the salesmen made three calls and quit.
- 12.7 of the salesmen made four or more calls.

With respect to the second question, the same retailers reported that 60% of the merchandise they stocked and sold was purchased by them *after the fifth call*.

You will probably find yourself aghast—as I was—at the appalling waste those figures signify. Especially in the case of the 48.2% of the men who made but one call and quit.

No good salesman needs to be told that he cannot possibly build a territory into an economic unit profitable both to himself and to his company if he works in this hit-and-run fashion. Selling is essentially an educational



Ewing Gallaway

process, and while there are salesmen who have developed their technique to such a fine point that they can and often do close on first call, most products simply cannot be sold with such ease and rapidity. In many cases, especially if your company does not happen to be known to the prospect, it may take most of one call to tell an institutional story—introduce the company and its facilities properly, emphasize its integrity and ability to render a service. After that it may take four more calls to make a logical and thorough presentation of the merchandise itself and to interpret it in terms of the buyer's needs.

This idea concerning the necessity for the regular cultivation of logical prospects through repeated call-backs, each of which in some way accomplishes some degree of advancement toward the ultimate sale, is one of the broadest and most important fundamentals of salesmanship. Sales success, advancement, the whole future of a man in the profession, depend upon his adequate understanding of it.

Single calls are almost a total waste of time and money, both for you and your company. Even the second and third and fourth calls may represent waste, because the entire investment in them is useless unless you follow through and complete the process of which they are a part. What you do *from the fourth call on* determines whether that waste shall be retrieved and turned into profit.

**It is repeated blows that drive the nail home . . .  
repeated calls that eventually result in sales.**

# Marketing Flashes

[Flickerless Films for Ads Are a 'Good Trick All Done'  
by Mirrors—Glass Milk Bottles Open War]

## Pacific Coast Freezes

Some 50,000,000 pounds of quick-frozen berries and fruits now travel toward the nation's dinner table every year. Strawberries lead the list with 35,000,000 pounds; 15,000,000 pounds of peas loom largest among the vegetables. The quick-freezing industry is largely centered in the Pacific Northwest, where 75% of the total crop is prepared.

Not so long ago, when the entire output was sold only to hotels, restaurants, hospitals, etc., wooden tubs sufficed as "packages." Typical of the industry's advance are the newest containers adopted by James Fenwick, Portland, Ore., for consumer counter-attraction.

In one, two-and-a-half and five-pound sizes, these boxboard packages resemble candy boxes. Fruits or vegetables are placed inside, then wrapped and heat sealed in Cellophane. After the top is put on, a waxed wrapper is applied. Contents may be exhibited to a buyer without disturbing the contents and letting in warm air. Fenwick's "Everfresh" line thus protected goes to every part of the country.

## Flo-Lite

"World's only successful continuous projector" is what officers of Advitagraph Corp., Chicago, call their new Flo-Lite, a movie advertising projector that eliminates film flicker. It's all done by mirrors, of unbreakable metal, which travel in an endless circle, taking the place of the old-time shutter. The mirrors reflect the film images indirectly onto a screen.

J. Kenfield Morley, who resigned as sales promotion mgr. of Bell & Howell Co. to become Advitagraph v.-p. and gen. mgr., will direct the launching of a national organization of exhibitors and distributors who will service Flo-Lites for advertisers, and arrange showings in theatres, as well as in stores, lobbies and windows.

In addition, the company will provide a complete ad film service: Prepare scripts, and dialogue, supervise actual shooting of pictures, and look after laboratory production.

Flo-Lites, sound and silent, are made in units conveniently sized for point-of-sale use. They are also made in the shape of advertising trade-marks or symbols. A Kool cigarette penguin, for instance, will have a Flo-Lite screen

across his chest delivering an unceasing ad message. It operates by merely plugging into any light socket.

All previous movie projectors have a shutter timed to flash across the lens between each individual photograph, creating the illusion of motion. Without such interruption a projected film would be a blur on the screen. Shutters, however, cause flickers. Remember the movies of 20 years ago? Even modern machines stop the film 24 times a second while the shutter cuts off lights from the screen. During that pause the picture is projected. The mechanism moves on again, but there has been a jerk, or flicker.

Flo-Lite's moving mirrors, developed by Jack Moranz, president of Advitagraph, gives continuous projection, and can be used day or night. "This principle," says he, "symbolizes a new era in commercial motion pictures."

## Milk in Fiber

Can and glass companies, long engaged in hostilities on the proper container for beer, have another source of friction. American Can Co.'s fiber milk bottle, first introduced in '34, and going great guns last year, is the troublemaker.

Up to the middle of December 120,000,000 fiber units had been sold, and only to the Borden Co. in metropolitan New York. For '38 American has set a production schedule of 250,000,000 units. Mouth-filling as that figure is, it represents only a small part of the 10,000,000,000 quarts of milk sold annually.

However, it's large enough to be a contributing element in the Glass Container Association's backfire. January 9 the Association starts an NBC weekly program (through U. S. Advertising Corp.) urging, "A glass bottle—the sanitary container."

## Melody that Lingers

"Trouble with these conventions," said an ad manager, "is that a fellow loads himself up with a lot of good ideas from the speeches and exhibits, but when he gets back home he fails to apply them. Many of the ideas probably are not practical for direct application to his problems, but they may suggest other ideas."

He was speaking to E. F. Schmidt, of the E. F. Schmidt Co., Milwaukee printer-lithographers. They were both

at the 15th annual conference and exhibit of the National Industrial Advertisers Association, in the middle of a wealth of sales and ad hot tips.

Other conventioners voiced the same thought. Whereupon Schmidt executives determined to skim the convention's creamiest notions and preserve them for reference and inspiration. Various officers divided up the work, some listening to speakers, others viewing the exhibits. Later they compared notes.

Pohlman Studios, Milwaukee, photographed the exhibition panels, which are reproduced in the booklet prepared by Schmidt. Only a single page is devoted to the company's own horn-toting. All told, the book should be a fruitful souvenir for every Association member. Incidentally, it's a smooth piece of copy for Schmidt.



## Disho

There are innumerable brands of soap on the market. Would women go for a new one especially prepared to speed dishwashing? The M. Werk Co., Cincinnati, makers of soap for over a century, asked its agency—the Dayton office of Geyer, Cornell & Newell—this question long before Disho appeared on grocers' shelves.

Answers obtained through a survey of grocers and housewives set forth the product's specifications: Paper-thin soap flakes that hustled, and were kind to hands, and that came in an easy-pouring, round container.

Using Dayton as a test market, GC&N sent women into every home there, showing Disho, distributing coupons with an introductory two-for-one offer, calling attention to a newspaper series of ads. Merchandising letters went to every chain and independent grocer simultaneously. The ads harped on a slogan, "Be faithful to Disho and your hands will be fair to you."

After the first week 95% of the grocers were out of stock, reordered promptly. One by one Werk will take on other cities in its Mid-West area; use the same entering-wedge tactics.

# Four Major Reasons Why We Are Maintaining the 1937 Budget

The business recession of the last quarter of 1937 hasn't discouraged this company from aggressive planning for 1938. They're matching the '37 appropriation for this year, and they set forth here their definite reasons for doing so.

**BY CY NORTON**

*Manager of Sales Promotion, Strathmore Paper Co.*

(EDITOR'S NOTE: One of the companies mentioned by Mr. Norton is in an industry where most of the members have a defeatist complex—they can't do anything until Washington does something, et cetera. The industry's 1937 sales volume was about the same as in 1936, but this one company by aggressive and consistent advertising and promotion increased its business by 25% and since September 1 the sales gains have been greater than in the first three quarters! . . . Note Mr. Norton's third point, "the uncertainty of the times may cause some companies to delay their advertising activities, and so aggressive advertising should be increasingly effective." . . . To maintain advertising and promotion pressure at the same level as in 1937 will call for a slight increase for most companies, due to increased costs of advertising materials.)

**S**AID a business executive recently, whose company through aggressive management made money in each depression year: "Despite our good past record, we have held up production of 30,000 dealer displays until we can see ahead more clearly."

Another executive said: "At present business isn't as good with us as it was early in 1937, but we've just O.K.'d a 1938 advertising budget of the same size as 1937. Business isn't really as bad as some people would have us believe. Perhaps we are too pessimistic and are comparing business with the peak of early 1937, forgetting that the business level today is considerably better than it was in 1932, '33, '34 and '35."

"Everyone will admit there will be business to be had in 1938, and somebody is going to get it. We're continuing our advertising and sales activities to insure our getting our share of business and perhaps more. I am inclined to agree with the authorities who say that no new depression is here, and it's merely a pause in an uphill curve."

In the paper industry, the Strathmore Paper Co. cites four major rea-

sons for maintaining their advertising and promotion pressure this coming year at the 1937 level:

First, because for the last four years close budgeting of the whole sales program and a gradual step-up in all advertising, selling and promotion activities has each year increased sales in excess of general business;

Second, because an obligation to paper merchants and printers can be met by maintaining advertising and promotion at the proper level;

Third, because the uncertainty of the times may cause some companies to delay their advertising activities, and so aggressive advertising should be increasingly effective;

Fourth, because if the campaign proves practical during the early months in the year, it will serve as a good springboard for the period of improved business and prosperity that many people expect will start sometime in 1938.

Another advertiser, a large Mid-West manufacturer, offers this exceptionally forward-looking viewpoint: "We're trying to produce a goodly share of our 1938 first quarter needs, and get the expense into 1937. I imagine quite a few firms are following this

strategy." (From a letter written in December, 1937.)

Now we can gain some advance inkling of what may occur in 1938 in selling, research, markets, etc. Fortunately "coming events cast their shadows before them" and have already given indications of some possibilities.

What about selling? In 1937 there were more orders to get but, in many cases, more salesmen in search of those orders. There was, of course, need for modern sales technique, modern sales helps, active and practical sales direction. All these were the order of the day, without which progress by and large was not in keeping with sales potentials.

In the new year—with orders available but perhaps harder to get—more thought, time and attention will be given to selling and so selling will gradually improve. For example, one progressive manufacturer has carefully studied and revised his sales manual, his sales presentations, and his catalogs, all with the idea of making these tools more effective, more practical, and particularly easy to use. Another company has re-established its training school, while a third concern has added a sales house organ to offer every possible sales suggestion and help to its dealers.

Research is another factor that will be called into play to a greater degree in the new year. Time was when only the big companies did research and then mainly along technical lines. Today, however, research is being successfully used by many medium- and small-sized companies not only in regard to new products but in



Motel: Ye Olde Tourist cabins have been superseded in San Bernardino, Cal., by this Mount Vernon Auto Motel roadside hostelry de luxe. Each of the Spanish bungalows has Carrier year 'round air conditioning, circulating ice water in every room, and refrigerators. Next to each is a garage. In the main building Proprietor Harry M. Hughes operates a restaurant, soda fountain, and game rooms.



connection with production, engineering, advertising and selling.

Come what may, 1938 will see research gain in scope and usefulness. It will sometimes be used to assure a sizable and profitable market before new products are launched. It will be put to work in an effort to get greater results from advertising, to improve selling, to speed up production, to expand markets economically. One of the largest and most progressive companies, well versed in research, has in the last year added a psychologist to its staff in order to get his ideas on how the advertising might have greater appeal to the public.

Another company through technical research discovered a new base material which brought about a reduced product cost, so that even the higher production costs did not prevent them from making money in 1937.

A third company originated a new product but took the precaution of having the research department make a survey to see if there would be a market sufficiently large for this product to make its manufacture and distribution profitable. Research answered "No" and a lot of trouble and expense was saved. Yes, research will continue to grow in usefulness and scope of influence in 1938.

### New Products

Merchandise will be another important factor in the new year. In 1937 many companies saved the day by introduction of new products, by restyling and making more salable their old lines. Greater sales resulted.

The success of this 1937 practice, and the desire for business in 1938 will undoubtedly bring many new and improved products on the market. Streamlining, color, better packaging, etc., will be called into play to whet the public's appetite and win the public's dollars. If orders are not quite as plentiful in the first part of the new year, undoubtedly the maximum of sales lure will be required to win the sales. There can be little doubt but that new products at the right price with the right distribution, and with sufficient attractiveness can be sold.

Consider the case of one manufacturer who, on November 27, 1937, made an article particularly suitable for Christmas. Though the season was far advanced, the day following manufacture letters plus samples were sent to dealers by first-class mail. Within a week half of the product had been sold and in less than two weeks, all of it! Orders had even been cabled from England and a second manufacturing was rushed through.

JANUARY 1, 1938



**Biggest Trailer:** Knapp-Monarch Co., St. Louis electric appliance manufacturers, are not sure, but they think theirs is the world's largest trailer. Executives will use it to visit distributors and show the K-M line. Here are some figures: Weight, 1,400 pounds; length, 28 feet, 38 including the Studebaker tractor chassis that furnishes motive power. It's air conditioned; heated by a hot water system; has two radios; shower. The observation deck seats four. At night the cook and chauffeur sleep there. Twelve may be served by the galley's equipment. Schelm Brothers, Peoria, built it.

Prices are and for some time may be jittery. Lowered business volume often raises the question of possible price reduction, and this tends to defer buying. During the first six months of 1937, much speculative buying took place; these materials are rapidly being used up so that new buying is gradually forced to come into the market.

For example, a large utility company expecting price advances last Spring bought all its 1937 needs and has bought nothing since. They will be in the market again early in 1938, as will many other companies which did similar speculative buying. These orders will tend to stabilize prices of many commodities. The fixing of 1938 prices will require a delicate touch, necessitating sound judgment, much experience, and—most important—a practical, close knowledge of the market as it is and not as it used to be.

The matter of profit for 1938 is a very baffling subject. Many, probably most, companies will face narrowed profit margins. Some will modernize equipment to reduce cost; some will speed up manufacturing, some will increase their market by adding new lines, increasing advertising expenditures, gaining greater sales coverage, building better selling methods. Late in 1937 one large manufacturer added new equipment to speed up manufacturing and gain lower unit costs. Another company created two new lines of merchandise in quality brackets, where the price margin would be longer. There are many ways by which business can operate to secure a reasonable profit and all of these ways will be investigated during 1938.

Generally speaking, the optimism of a year ago is missing, but most business men are progressively planning and

carrying on their advertising and selling strategy to capture today's and tomorrow's markets.

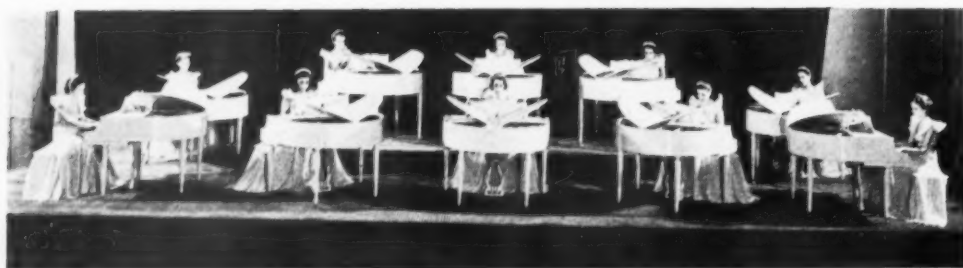
Perhaps there are companies which may wait for the skies to clear. But by and large American business executives know from experience that progress in any field and a full share of sales can come only from continuous and aggressive advertising and selling programs. So, with foresight and courage, business greets the New Year, prepared to make the most of any and all opportunities.

### United Airlines Hits Back At Rival's 'Low Level' Claim

Refuting the assertion by American Airlines that it has "the one nature-favored . . . best route from Chicago to the Pacific Coast," United Airlines has published in newspapers a series on "the real facts about Coast to Coast flying." American (through Blackett-Sample-Hummert, Chicago) copy declared that its "low level . . . sunshine . . . better weather route" is exclusive.

To which United, through J. Walter Thompson agency, retorts in large space, "No airline flies between the Atlantic and the Pacific without crossing mountain terrain . . . but what of it? . . . No cross-country airline can . . . honestly advertise it possesses any substantial 'edge' in flying weather or terrain. United's route has as much sunshine as other cross-country routes . . . but what of it?"

"United believes the public is more interested in the fundamental factors, airline equipment . . . personnel, experience, and above all operating practices," the company declares above the signature of President W. A. Patterson. The ads will run in all major cities along the United's route.



(Left) The Music Trades Convention of 1937 hears the new Wurlitzer "Symmetrical" grand, tagged the "butterfly" piano, and introduced with plenty of eye appeal. (Below) Better design, and the introduction of miniature models, have both been factors in the come-back of the piano trade.

## "Dying" Music Industry Lives Anew as Millions Turn to Tune-Making

**M**AKERS of musical instruments, from pianos to harmonicas, report that public demand is increasing. America, of course, listens to a large share of its melody from loudspeakers. Yet from many sources it is apparent that the desire to buy and play their own instruments is a progressively important trend in Mr. and Mrs. Consumer's spending habits.

In 1936 piano shipments in the United States totaled 90,358,\* which is more than three times the figure for 1932. The industry expects 1937 production to reach 125,000 units. The combined sales of 15 manufacturers (who make 85% of the nation's band instruments) for the first eight months of 1937 were 35% ahead of the 1936 figure; and August, 1937, sales were 65% ahead of those for August, 1932. Business for 1936 in the various branches of the music trades exceeded \$100,000,000.

These and other tuneful statistics come from W. A. Mennie, secretary of the National Piano Manufacturers Association, and of six other associations of the music industry.

Better methods of teaching music in the schools; improved designs (that of the small-sized, streamlined piano, for example); more aggressive promotion methods of manufacturers; and, wonder of wonders, the radio—these are the principal factors in the recovery of the music trades.

It would be difficult to classify these factors in the order of their importance, but radio is certainly the "surprise-package" of the group. Only a few years ago the prophets were saying that "canned music" would ring the death-knell of ama-

teur music-making. Just the opposite has happened, however. For every deserter who turned to obtaining his music from the air waves, there have been several, stimulated by those same air waves, who joined the ranks of those making their own music for the fun of it.

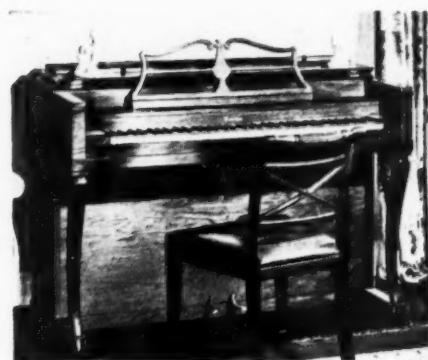
Brightest spot in the music trades picture today is the widening of the market for musical instruments accessories, sheet music, etc., to include children, and adults of limited talent. This new, and as yet largely untapped, market has sprung up almost spontaneously, and there is no telling what proportions it may reach if properly developed.

The psychology of this new type of "non-musical music-maker" is ably presented in a recent book, "A Little Night Music," by Gerald W. Johnson of the Baltimore *Evening Sun*. The author, "only a bit more musical than a cigar-store Indian," bought a flute so he could play with the family ensemble, and had such a good time that he now believes there isn't enough bad music-making in the world.

"Deluded your amateur musician may be," he writes, "but happy he certainly is, because for him the road always goes on; for him, still ahead but in plain sight, there are water and green trees and the mountains of all delight."

There are now between 35,000 and 40,000 school bands in the United States, according to Fred A. Holtz, president of the National Association of Band Instrument Manufacturers. Many of them are good bands, with surprisingly high standards.

As might be expected, the school market is highly prized by manufacturers of band instruments. We see this in an issue of *The Buescher Idea*, a house-organ circulating among music merchants, in its leading article,



"Amateur music is dead—the radio killed it," music men were saying several years ago. Now they're crediting radio with a large part of the rapidly mounting demand for instruments of all kinds. The industry is especially pleased with the success of various campaigns designed to interest more children in music.


BY

ETNA M. KELLEY

"Friendly Dealers Get School Sales." A second article, "Dealers Aid Schools . . . Avoid Discounts," advocates cooperating with bandmasters rather than granting discounts to get school business.

A third article, most significant of the three, "Adult Music Big Field," treats of the need for sponsorship of adult orchestras to absorb young musicians just out of school. It cites the growth of the Kalamazoo Symphony Orchestra from a membership of 40 in 1921, when it was started, to its present membership of 80, while a junior orchestra, a separate unit, stands ready to furnish material for

\*Peak years: 1909—365,000; 1923—343,000 (about half were player pianos). Worst year: 1932—27,000.



# ACRES of DIAMONDS

**A** cres of diamonds, tons of diamonds, carloads of diamonds waiting to be claimed. Acres of diamonds right in America's front yard.

The hard way to make sales is to try to cover 3,073 scattered counties. The less costly way is to concentrate in the 550 counties where the per capita retail sales are 100% greater than the average in the remaining 2,523.



*The Black area, (Metropolitan's Market) does twice as much business as the entire balance of the country.*

Metropolitan concentrates its 7 to 9 million circulation in these 550 counties of highest retail sales — America's prosperous diamond belt.

*There is no substitute for intensive coverage.*

## Metropolitan weekly

Baltimore SUN • Boston GLOBE • Buffalo TIMES • Cleveland PLAIN DEALER  
Chicago TRIBUNE • Detroit NEWS • New York NEWS • Pittsburgh PRESS  
Philadelphia INQUIRER • St. Louis GLOBE-DEMOCRAT • Washington STAR

Gravure  
Comics  
Color  
Metropolitan  
Sunday  
Newspapers, Inc.  
New York • Chicago

*Additional or alternate papers*  
Boston HERALD • Buffalo COURIER-EXPRESS  
Chicago TIMES • Detroit FREE PRESS • New York  
HERALD TRIBUNE • St. Louis POST-DISPATCH  
Washington POST

THE LARGEST CIRCULATION IN THE WORLD OF ANY GROUP OR MEDIUM

JANUARY 1, 1938

[ 23 ]





Seventh-graders in an Ohio public school hear Dr. Walter Damrosch's music appreciation radio program, broadcast over an NBC network. Children of some 60,000 schools listen to the program regularly . . . many are thus inspired to play some instrument themselves.

the Symphony Orchestra when needed.

In an article, "Better Days for Music," in the April, 1937, issue of *Harper's*, John Tasker Howard pointed out that when Walter Damrosch began to conduct concerts for the radio a little less than ten years ago, a number of his friends expostulated with him. "Among them were Paderewski, Rachmaninoff, and Kreisler, who told him that the rise of radio would surely mean the end of concerts in the flesh. They begged him to lend neither aid nor encouragement to such a deadly foe."

But statistics show that concerts are better patronized now than ever before. For, as Mr. Howard puts it, "While radio may have encouraged many veteran concert-goers to stay at home, it was also slowly producing thousands of new listeners who would sooner or later want to meet an orchestra or soloist in person."

The value of radio as a means of fostering musical appreciation cannot be estimated, yet it is certainly great. Dr. Damrosch's work with the schools has been of particular benefit. His broadcasts are said to be heard regularly by the children of 60,000 schools, and, according to Mr. Howard, "he is probably not over-optimistic in estimating his total audience at from six to seven millions."

Another example of the way in which radio spurs the individual into participation in music-making is described by Mr. Howard. This is the NBC Home Symphony, "a program devised by Ernest La Prade for amateurs who may enjoy playing their own instruments at home with the radio orchestra." Programs are announced in advance, so that the listener may buy the music for the instrument he plays. At the beginning of each program, "A" is sounded, to permit tuning of strings and wind instruments.

There are a few metronome beats to indicate tempo. "And after that it's every man for himself."

These programs, which ran last year from October through June, were enjoyed by many listeners, who wrote enthusiastic letters telling of the pleasure derived from what they termed "our" broadcasts. Tangible proof of their interest was given in the orders received by publishers (through dealers) for the music played on the programs. For the first series alone, there were orders for 6,230 copies of the various instrumental parts.

Eye appeal influences the sale of musical instruments nowadays, and manufacturers are vying with one another in furnishing their products in new and attractive designs. "The introduction of the console was one of the factors which started the piano business on the upswing," says Mr. Mennie, the piano men's spokesman. "Because the verticals were ideally suited for smaller homes, and were styled to fit into any scheme of home decoration, they became instantly popular. In previous years the grand had outsold the upright by almost two to one, but last year that ratio was exactly reversed. The mechanical improvements which made possible the introduction of the console in 1935 have now been adapted to the manufacture of small grands."

At latest report, sales of grands are increasing along with those of other pianos, but uprights still outsell them two to one.

The most dramatic example of styling applied to pianos is the new Wurlitzer "Symmetrical" grand . . . only three feet eight inches long, with its top rising in two sections like butterfly wings. The company squeezed every possible ounce of publicity value from this model by introducing it last Summer at the Music Trades Convention

in New York, shipping one, called "The Mystery Piano," from Chicago by plane to call attention to its small size.

During the convention there was a special program by ten students of the Juilliard School, who played, in unison, Wurlitzer "Mystery Pianos," under the direction of Dr. George Gartlan, Director of Music of the New York and Brooklyn Schools. A stage on which there were ten pretty girls dressed in pink, playing ten ivory-colored "butterfly" pianos—that was both eye and ear appeal!

A spectacular newcomer to the music world is the Hammond Organ, which, as its makers have advertised "creates exquisite organ tones by electrical impulses." Without pipes or reeds, it occupies only four square feet of space, and the firm has emphasized this important feature.

Designers have been busy with other instruments, too. The lowly ukulele is said to be staging a comeback in delicate pastel shades and in Scotch plaids. Guitars are streamlined and gayer than they used to be. Elkhart Band Instrument Co. advertises a "Modern Streamlined Trumpet."

### Accordions to the Fore

Perhaps the fact that the accordion is a "flash" instrument has something to do with its current popularity; certainly its gay, metallic trimmings, its gleaming piano keyboard, the lively gestures one must make to play it, have helped it along. There are now said to be at least 12 accordions sold to each saxophone, which is the reverse of the trend a few years back.

This instrument, smallest member of the organ family, produces the greatest volume of sound for its size. Most of those sold in this country are imported from Italy and Germany. Of domestic producers, Wurlitzer is the largest. Enrico Gnagatti, director of the Association of Italian Piano Accordion Manufacturers, said recently that of every 100 accordions made in Italy, only two or three are sold there. America, Italy's biggest accordion customer, is buying more and higher-priced models.

"The accordion has distinctive tone qualities which people like," said W. J. Dougherty, editor of *Music Trades*, in commenting on that instrument's rapid rise to popularity. "It is being used more and more widely in orchestras and bands. It broadcasts well, and radio has given it a boost. Its sales record has been remarkable, with medium-sized stores selling as many as 20 a week, at an average price of from \$500 to \$750."

(Continued on page 64)

# THANKS TO AMERICA'S BUSINESS MEN FOR THE BIGGEST★ YEAR IN OUR HISTORY!

★ BIGGEST IN CIRCULATION • IN NUMBER OF  
ADVERTISING PAGES • IN ADVERTISING REVENUE.  
THE REASON? AMERICA'S BIGGEST HOME MARKET!

To those keen-witted business leaders of America who have made possible the biggest year in our history, we say simply and sincerely: Thank you!

After an amazing up-growth of 15 years, Better Homes & Gardens tops its own record-breaking record by scoring new highs in 1937... new peaks in circulation; in number of advertising pages; in advertising revenue.

Take, for instance, our December issue: 59% ahead of last December! 1938, too, is starting off in fine fettle by showing a substantial gain for January!

And it's all because of a single, prime-ribbed reason: Better Homes & Gardens *does a job*... for its readers, for its advertisers. To those living in *gardened homes* in the better residential and suburban areas of towns and

cities throughout America, Better Homes & Gardens is THE magazine that is all-home and all-service!

And that means a *hand-picked* market made up of *home-picked* families; whose hearts are in their homes; who are eager to build and rebuild; who read more and need more; who live better and have more money with which to buy. For a gardened home is a badge of buying power *wherever* you find it! Meredith Publishing Co., Des Moines.

## BETTER HOMES & GARDENS

REACHING 1,700,000 FAMILIES  
AMERICA'S BIGGEST HOME MARKET





Well, look who's here! It's young 1938, shivering in his birthday suit, but smiling with that optimism characteristic of extreme youth. I would be the last one to discourage him, seeing what we have weathered up to now. Let's give him a hand!

There were moments when the Far-Eastern war threatened to sign us up; when things looked Black for the Supreme Court (and I mean the cap "B"); when the stock market nose-dived to give business the shock of the year. But there were compensations. Norway sent us Sonja Henie. Tammany took the count. And the Edward Windsors provided us with no end of copy and table-talk.

"111 persons were married this year as against 111 last year" itemed the *Bulletin Index* (Pittsburgh). Maureen Murdoch is disturbed about the odd person. Maybe it was one of those eternal triangles.

The Pullman Co. mentions an "adjoining annex." That would be nice for widow women traveling alone by themselves unaccompanied.

They laughed when I sat down at the piano. They're still laughing.

I envy the fellow who first called Rome "The City of Fallen Arches."

We're a lot of soupy, sappy, sentimentalists, and no editor would publish it. But, from some of the stories I hear, I sometimes feel moved to write and submit a piece called: "Are Parents Panhandlers?"

Green is the one ink that won't corrode on a pen, I am informed by a pen man. That's a favorite color with me, especially on payday.

"If your mouth's just waterin' for that turkey 'n' cranberry sauce, then you know why National's Eagle tastes so good!" It's a strong argument.

Webb Publishing Co., St. Paul, had some fun recently with a burlesque on the picture-book, *Life*. The old wood

cuts stirred a strange nostalgia in me for the McGuffey Readers, not to mention those nickel thrillers which we used to read behind our geography book in school.

After seeing the man and hearing him talk, I could vote for Bainbridge Colby for President. He is described as a Jeffersonian Democrat of the old school, and it wasn't a bad school, looking back.

Speaking of constructive Americanism, *Nation's Business* is doing a fine job over its own signature in other magazines. It seems a sad thing that such obvious truths have to be told to the mob in paid space.

Continuing in a serious vein for a moment, what the hecklers of "business" never seem to get through their thick skulls is that owners of businesses, big and little, could pull out and padlock the place if pushed too far. You remember Neal O'Hara's motor-man who left a trolley-car full of passengers standing in the street, dismissing the whole thing with: "Nuts to this job."

There's many a slip 'twixt the sale and the subsequent service. I know a radio-and-refrigerator dealer in my neighborhood who is not going to sell me a new refrigerator, because he's too tired to come fix my radio—even for cash.

National Distillers picks four leaders, calls them the "fourmost" whiskies. Very pat, Boys.

There's room for an organization called "Good Rumors."

Pity the poor copy-writer and his paucity of American vociferants. When something isn't "swell," it's "grand." Where do we go from there?

I like those impromptu radio programs, where a mike is set up in a hotel lobby or on the curbstone, and passersby are invited to give their names, answer a general quiz. One fellow recently didn't know who The

Three Musketeers were, but felt sure The Four Horsemen had something to do with the Notre Dame football team. Another check on how much the public knows—or doesn't know. We who write copy may take too much for granted.

My own biased view is that "Our Fearless Leader" has been leading with his left, and Business is a little punch-drunk.

"Crackers, cheese, sardines, olives, ham and tongue, anchovies and other beer SNACKCESSORIES," says a caption in *Grocer-Graphic*. Nice neologizing, I call it.

What labor needs is more peace-work.

A New York "beautician" says women will be wearing topless bathing suits within three years. I don't believe it, but it would be novel to see them breasting the waves, and vice versa, as Corey Ford once said.

A Peoria sales manager sends me a couple of definitions which he and his Kansas City men have evolved:

JOBBER—A man who looks over the last order and frowns because he sees that he only made 5% on it, and forgets his turnover.

DEALER—A man who smiles gloatingly over his last order which carried a profit of \$5, but he forgets his overhead.

The eternal juvenile in me makes me smile at items like this, sent in by Lew Conarro. It seems that a cow ate blue grass and *Mood Indigo*. In more serious mood, he says: "Where there's a will, there's a way; where there's a won't, there's a way out."

W. G. Upton, Montclair, N. J., doing business as "Biblio-File," recently received an order for a copy of *Live Alone and Like It*, "by Dale Carnegie." Close, but no cigar, as they say.

Sheboygan's G. M. Cornell raises West Philadelphia's Dr. Puls one with "Puls & Puls," proves it with a tear-sheet from the local phonebook.

George Millington, of *Better Homes & Gardens*, was in with his broad smile and a bag of peanuts; but he needn't think he can bribe us into mentioning his paper. Not with peanuts.

Slogan for a funeral-director: "Be Dead Right!"

T. HARRY THOMPSON.  
SALES MANAGEMENT



*symbolic of its effort*

*to make each year's issues*

*better than the ones before*

## MARKET RESEARCH

A Monthly Magazine

begins

1938



with a new cover —

- to express appreciation of an increasing number of subscribers whose loyal support has made continued improvements possible
- and to invite the attention of new readers who would not notice it till the contents were called to their attention.

MARKET RESEARCH, the only magazine to keep you up-to-date in this field, offers articles by well-known marketing authorities, reports the successes and failures of recent investigations, informs its readers of new market research ideas and techniques, reviews new marketing books, and presents other related material.

*subscribe now at the old rate and take advantage of all 1938 improvements  
(subscriptions will be \$2.00 per year after February 1)*

MARKET RESEARCH Rockefeller Center, N. Y.

Please enter my subscription for one year for MARKET RESEARCH, beginning..... 1938.

I enclose \$1.00 ☐

Bill me for \$1.00 ☐

(Foreign \$2.00)

Name..... Position.....

Company.....

Street..... City..... State.....

JANUARY 1, 1938

[ 27 ]

# HAVE YOURSELF

*In the Luscious California*



If you bought the largest circulation in each of 41 cities in Southern California outside Los Angeles where daily newspapers are published you would receive:

**364,985 COPIES**

**Cost . . . \$2.28 Per Line**

*Los Angeles*

# EXAMINER

SALES MASTER OF AMERICA'S FOURTH RETAIL MARKET

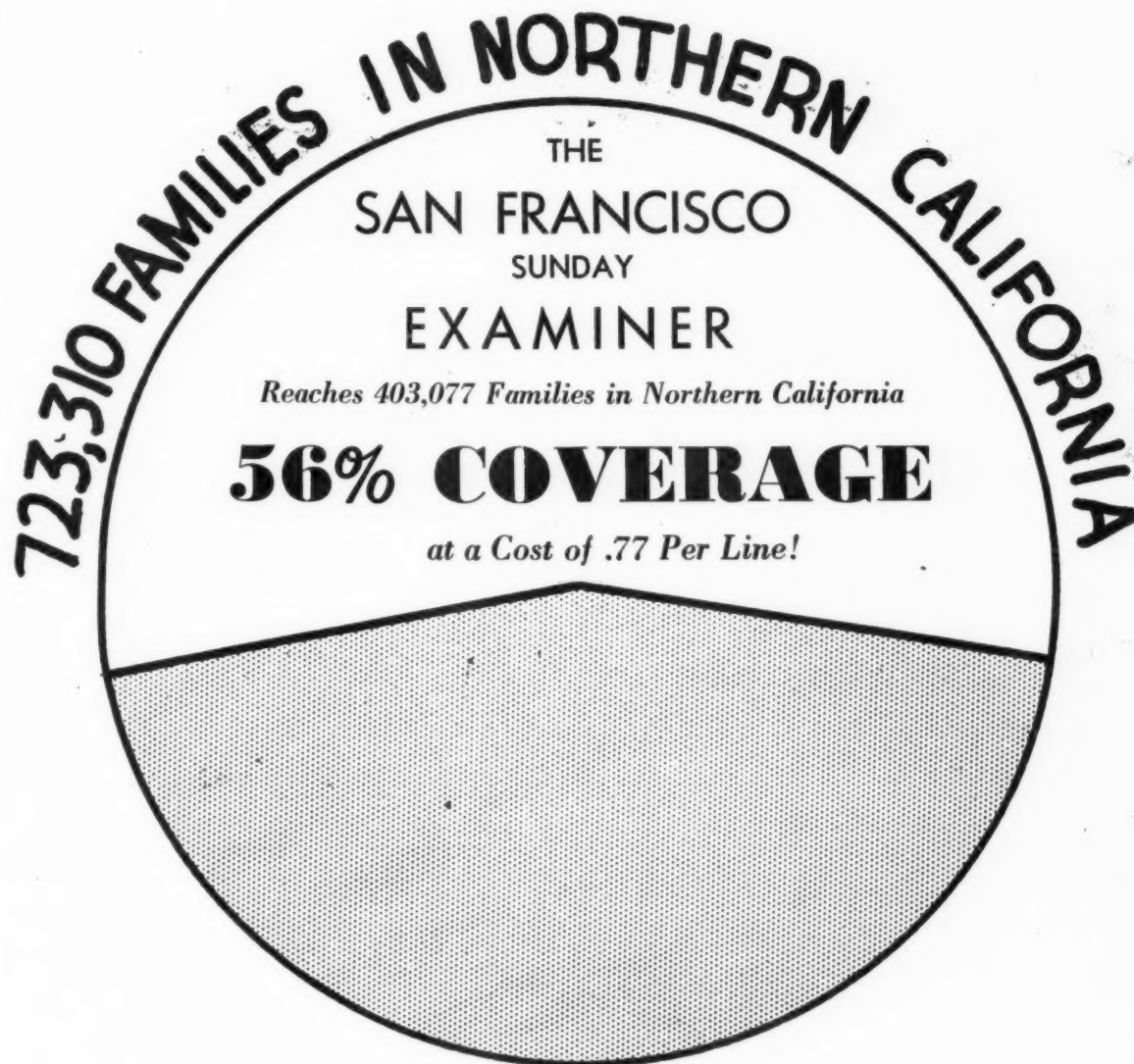
Represented Nationally by The HEARST INTERNATIONAL

[28]

SALES MANAGEMENT

# A BITE OF PIE!

*Market of 1,610,030 Families...*



If you bought the largest circulation in each of 52 cities in Northern California outside San Francisco where daily newspapers are published you would receive:

**324,865 COPIES**

**Cost . . . \$2.17 Per Line**

*San Francisco*

# EXAMINER

"BUY-WORD" OF NORTHERN CALIFORNIA

ADVERTISING SERVICE, Rodney E. Boone, General Manager

JANUARY 1, 1938.

[29]



# ROGER BABSON SEES OKLAHOMA IN THE GOLD



... and may we add, you've got something there, Mr. Babson

## WHEN YOU POINTED TO OKLAHOMA AND SAID:

"At the present time we consider the most favorable opportunities are to be found in the Southwest and the Southeast. We would call special attention to the sales opportunities in the following states:

Delaware  
Florida

Michigan  
N. Carolina

OKLAHOMA  
Oregon

S. Carolina  
Texas

## WHEN YOU PICKED OKLAHOMA CITY AND SAID:

"If you wish a list of cities where business is relatively good at present and in which the sales outlook for the near-term is favorable, we suggest the following:

Atlanta, Ga.	Detroit, Mich.	Jacksonville, Fla.	OKLAHOMA CITY, OKLA
Charleston, S. C.	Fresno, Cal.	Knoxville, Tenn.	Portland, Ore.
Columbus, O.	Houston, Tex.	Lexington, Ky.	Richmond, Va.
Dallas, Tex.	Indianapolis, Ind.	Mobile, Ala.	Rockford, Ill.
	St. Paul, Minn.		Wilmington, Del.

## WHEN YOU COMPILED YOUR SALES AND CREDIT MAP FOR DECEMBER.

Your placing of Oklahoma City . . . and Oklahoma . . . in the "Gold" area on your December map is in line with all the leading authorities. We agree further, with the following suggestions of yours: "Give encouragement to your salesmen and dealers in the above cities. They are among the relatively best sales localities at the present time. If not already covering these cities, test them out for future sales expansion."

**THE DAILY OKLAHOMAN • OKLAHOMA CITY TIMES**  
**THE FARMER-STOCKMAN • RADIO STATION WKY**

NATIONAL REPRESENTATIVE—E KATZ SPECIAL ADVERTISING AGENCY

# Marketing

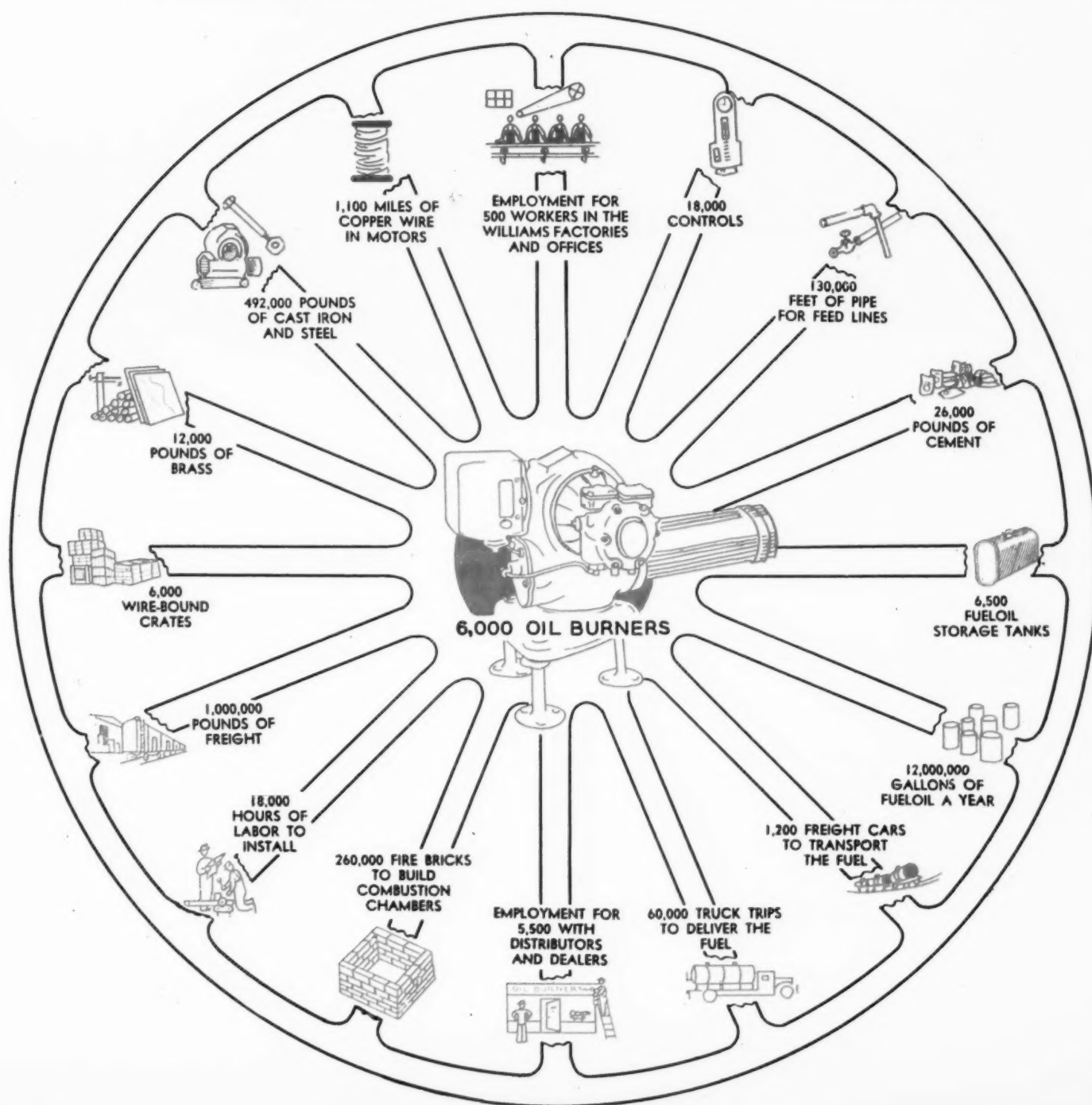
# PICTOGRAPHS

Planned by Philip Salisbury,  
Executive Editor, and designed  
by The Chartmakers.

## MORE POWER TO GOOD SALESMEN!

SALESMEN OF WILLIAMS OIL-O-MATIC CORP. SOLD 6,000 BURNERS IN SEPTEMBER.

THAT PROSPERITY HINGES ON GOOD SALESMANSHIP IS INDICATED BY THIS  
PARTIAL LIST OF OTHER BUSINESS WHICH WAS PRODUCED BY THESE SALES





# Who's more interesting?

THE ORPHAN WHO DIDN'T KNOW IT—OR  
THE BOY WHO COULDN'T HAVE THE CAR?



Anybody whose job involves writing or judging advertising must be interested in how various human interest appeals rate. Because the same components that will make people read a story or an article will also make them read an advertisement.

True Story's editors *know* what interests people. How else could True Story come into a field already crowded with magazines and build up the greatest voluntary reader demand ever seen in the history of the printed word?

And the same standards that measure how much interest the mass mind has in an unknowing orphan, or a boy who can't have the car, are the standards that measure the interest an advertisement will arouse in that same mind.

What these standards are might be judged by those who are interested enough to study True Story's new

Human Interest Textbook, "How To Get People Excited". It contains the 60 appeals published in the last five years in a True Story Editorial Department entitled, "Home Problems Forum"—together with their relative ranking in terms of popular response.

To test your own judgment of the effectiveness of the various appeals made by the six problems reproduced here, check off the one you think has the greatest popular appeal, the one with the second greatest appeal, and so on. Send us your rankings and we will send you, by return mail, the correct rankings as measured by the mail pulled by each problem, together with the book, "How To Get People Excited". (If you feel timid about venturing your opinions, tell your secretary what your guess is and send for the book anyway. She can check you in confidence when the book arrives.)

## Match Your Judgment Of Popular Appeals Against The Facts

Exciting stories and exciting advertising have the same characteristics. These situations were editorial matter but they might have been

### ADVERTISING

**1** Erick's father is 48 and out of work. His brother and sister, just out of high school, can find no work. Erick wants to get married. His mother says they will starve if he withdraws his weekly contribution. Erick feels they could find work if they really tried. He sees no disgrace in getting a job through relief. They do. He is bitterly disappointed in his family's attitude. What shall he do? ☐

**2** Vilma's mother, a night club hostess, wants to come to live with her daughter. Vilma's husband, John, objects to his mother-in-law, whom he has been led to believe was on the stage, and whom he sees for the first time in his 8 years of marriage. During the depression years, the mother helped considerably in a financial way. Vilma wants her mother to come to live with her and the grand-children, who are very fond of her. John wants the children to have nothing to do with her and will pay back the money when he can. ☐

**3** At a time when they were facing a difficult period, Howard let his wife Ruth take a job. Now he is earning a good salary and he wants Ruth to give up her job. His real reason is that Ruth is earning more than he is. Ruth does not want to give up her work. With the extra money she wants Howard to study accountancy. She contends that nobody need know that she is earning more. ☐

**4** Richard, a high school senior, drives his father to and from work. In addition he does all family driving—taking his mother on shopping tours, to theatres and visiting. The boy thinks he should be allowed to have the car to himself one evening a week as a reward. The parents refuse to permit him the use of the car because they feel he is reckless and irresponsible. Yet they permit him to drive the family. ☐

**5** Sophie and Morton have an only child, a foster daughter, though not legally adopted. Katherine, the daughter does not know this. Now they must tell her or deprive her of a trip around the world. Morton feels they should tell her as she has no birth certificate, and sooner or later they will have to anyway. Sophie fears that if they tell her, she will turn against them. ☐

**6** Ben and Sarah have a joint savings account. They agreed not to touch the money, except in an emergency, and only after talking it over. During Ben's absence, Sarah lent her sister, who was in dire distress, \$150. Ben feels that Sarah has betrayed his trust. Sarah contends that it was an emergency, therefore her conduct is justifiable. ☐

### Put YOUR Selections On This Score Card

Mail it... Win, lose or draw, you'll get the correct ranking, by return mail, in True Story's new Human Interest Textbook entitled: "How to get People Excited."

TRUE STORY, 122 EAST 42nd ST., NEW YORK, N. Y.  
It is understood that my personal guess will be kept confidential, but that the summarized guesses of all your respondents will be sent to me when these summaries are completed.  
Please send your book "How To Get People Excited" with the right ranking for these and 54 other appeals to:

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

THE ONLY MAJOR MAGAZINE EDITED DELIBERATELY FOR THE WAGE EARNER FAMILY

# TRUE STORY



# HOW MASS PRODUCTION HELPS THE CONSUMER

## SERIES 5: ELECTRIC LIGHT BULBS

TODAY'S MAZDA LAMPS COST  $\frac{1}{3}$  AS MUCH YET GIVE NEARLY 3 TIMES THE SERVICE AS IN 1921

(FIGURES BASED ON 60-WATT 115-VOLT MAZDA LAMP AT LABELED VOLTAGE AND 1000-HOUR LIFE)

1921 COST

1938

1921 SERVICE 1938

1921

45¢

982

169

LIST PRICE

LUMEN HOURS FOR 1¢

PRODUCTION ALL LARGE BULBS

1938

15¢

2482

500

Lumen: The Amount of Light Necessary  
To Illuminate An Area of 1 Square Foot  
to an Intensity of One Foot Candle

PICTOGRAPH BY  
*Sales Management*

Source:  
Incandescent Lamp Dept. of  
General Electric Company

## AUTOMOBILE INSTALLMENT SALES AND FAMILY INCOMES

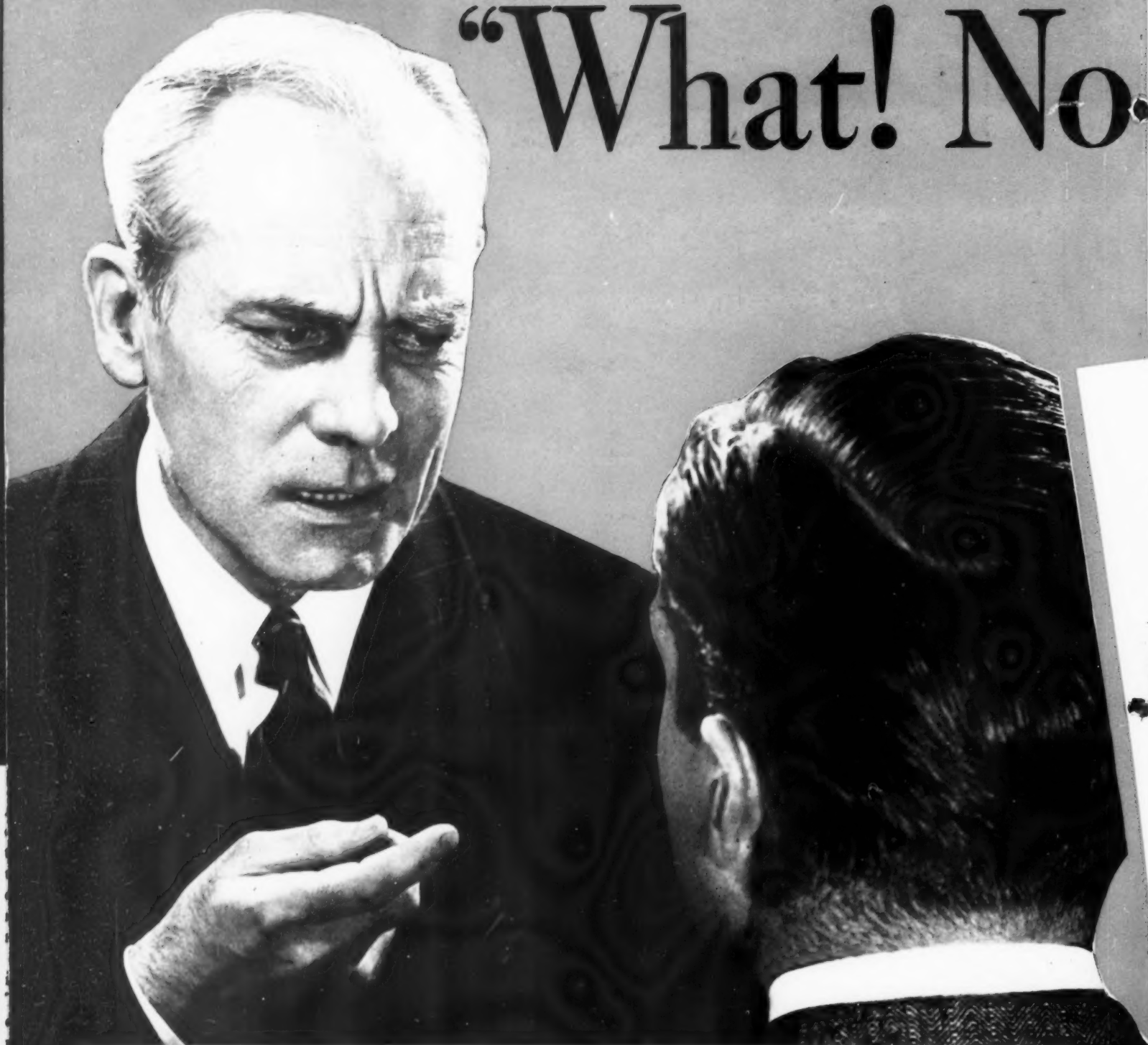


NAME	Coverage Automobile Purchaser ✓
AGE	36.5 years ✓
MARITAL STATUS	married ✓ (70% of cars bought by married people)
MONTHLY INCOME	\$154.97 ✓
MONTHLY INSTALLMENT	\$37.27 ✓
% OF INCOME APPLIED TO PURCHASE	24.0 % ✓

Source: Analysis of 1,000 Contracts From One Day's Business  
by Commercial Investment Trust, Inc.

PICTOGRAPH BY  
*Sales Management*

# "What! No-



## No. 25 in a series

of discussions of TYPICAL JOBS GOOD BUSINESS PAPER ADVERTISING HAS DONE . . . prepared by advertising agencies of wide experience in the use of business paper space . . . sponsored by these outstanding business papers:

AMERICAN BUILDER and BUILDING AGE, Chicago

BAKERS WEEKLY, New York

BOOT and SHOE RECORDER, New York

BUILDING SUPPLY NEWS, Chicago

CHEMICAL & METALLURGICAL ENGINEERING, New York

ENGINEERING and MINING JOURNAL, New York

FOOD INDUSTRIES, New York

THE FOUNDRY, Cleveland

HOTEL MANAGEMENT, New York

THE IRON AGE, New York

THE JEWELERS' CIRCULAR-KEYSTONE, New York

LAUNDRY AGE, New York

MACHINE DESIGN, Cleveland

MACHINERY, New York

THE PAPER INDUSTRY, Chicago

POWER, New York

RAILWAY AGE, New York

SALES MANAGEMENT, New York

STEEL, Cleveland

## GOOD BUSINESS PAPERS BUILD BETTER BUSINESS



# Business Papers?"

## A Short Short Story of Selling as it Might Be if all Business Papers Stopped Publishing Tomorrow.

### CHAPTER II

(The conference room of a firm that manufactures products sold only to industrial plants.)

**SALES MANAGER:** They can't stop publishing business papers! We've got an advertising job to do. We've got to sell our customers — the men who spend the money in fifteen different industries!

**ADVERTISING MANAGER:** What about our advertising in the national magazines? Our customers read those, too.

**SALES MANAGER:** Certainly! But we need more than that. We need to get right into their plants, in magazines that get and hold the buyer's attention because they talk his own language!



### CHAPTER I

(A sales manager and his advertising manager are in conference.)

**SALES MANAGER:** What! No business papers? Then just exactly how are we going to tell the trade about this new national campaign? How are we going to get full value out of that expensive space? Just tell me how!

**ADVERTISING MANAGER:** Well, we've got a good direct mail campaign.

**SALES MANAGER:** Of course we have. But it won't do the job alone. We want to get our story next to interesting editorial matter that dealers are sure to read.



### CHAPTER III

(Office of a firm manufacturing a line of medical specialties.)

**VICE PRESIDENT:** No more business papers? We can't get professional support for our new products if we can't advertise, can we?

**ADVERTISING MANAGER:** Well, we have a lot of field men who cover the country pretty thoroughly, and probably . . .

**VICE PRESIDENT:** And probably they will take six months to reach the men we've been reaching through their magazines in six weeks! I tell you we've got to have business papers!

**F**OR THREE types of advertising — trade, industrial, and professional — good campaigns in well-edited business papers are essential. Realizing this, the J. Walter Thompson Co. has for years maintained a separate department to give trade and technical advertising the attention it deserves.

This division has its own copy, art, media, and production staffs who are specialists in the complicated problems of preparing industrial and professional advertising and the accompanying sales promotion material. Working with accurate data on markets, and experienced in many different phases of distribution, this organization has been of very definite value to our clients.

Trade and technical advertising, prepared under these conditions, is given the same careful attention as a national advertising campaign. And because it talks to a specific field in specific terms, it gets full value from the excellent business papers published today.

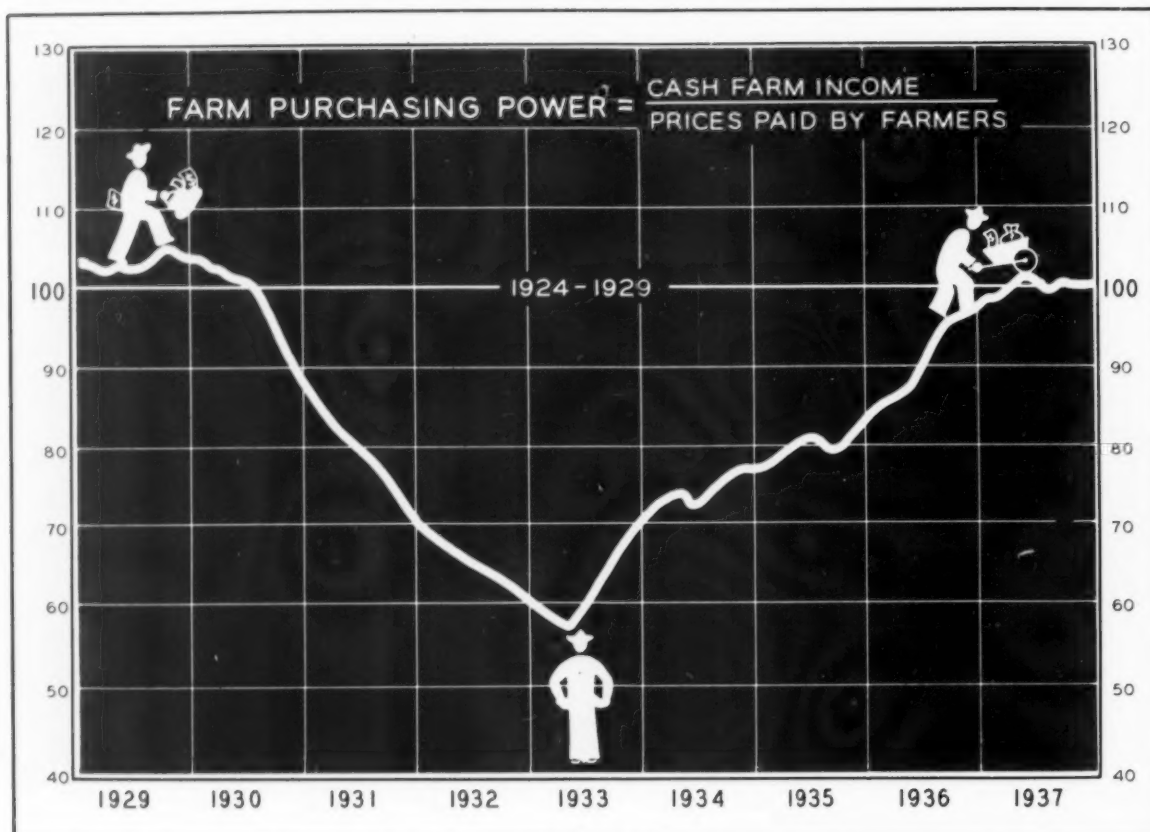
We would not consider our service to clients complete unless it included all branches of advertising, and the proper use of business papers is certainly an important part of many successful campaigns.

**J. WALTER THOMPSON CO.,**  
420 Lexington Avenue New York City

*Editor's Note:* The J. Walter Thompson Co. has for years been one of the largest users of business paper space.



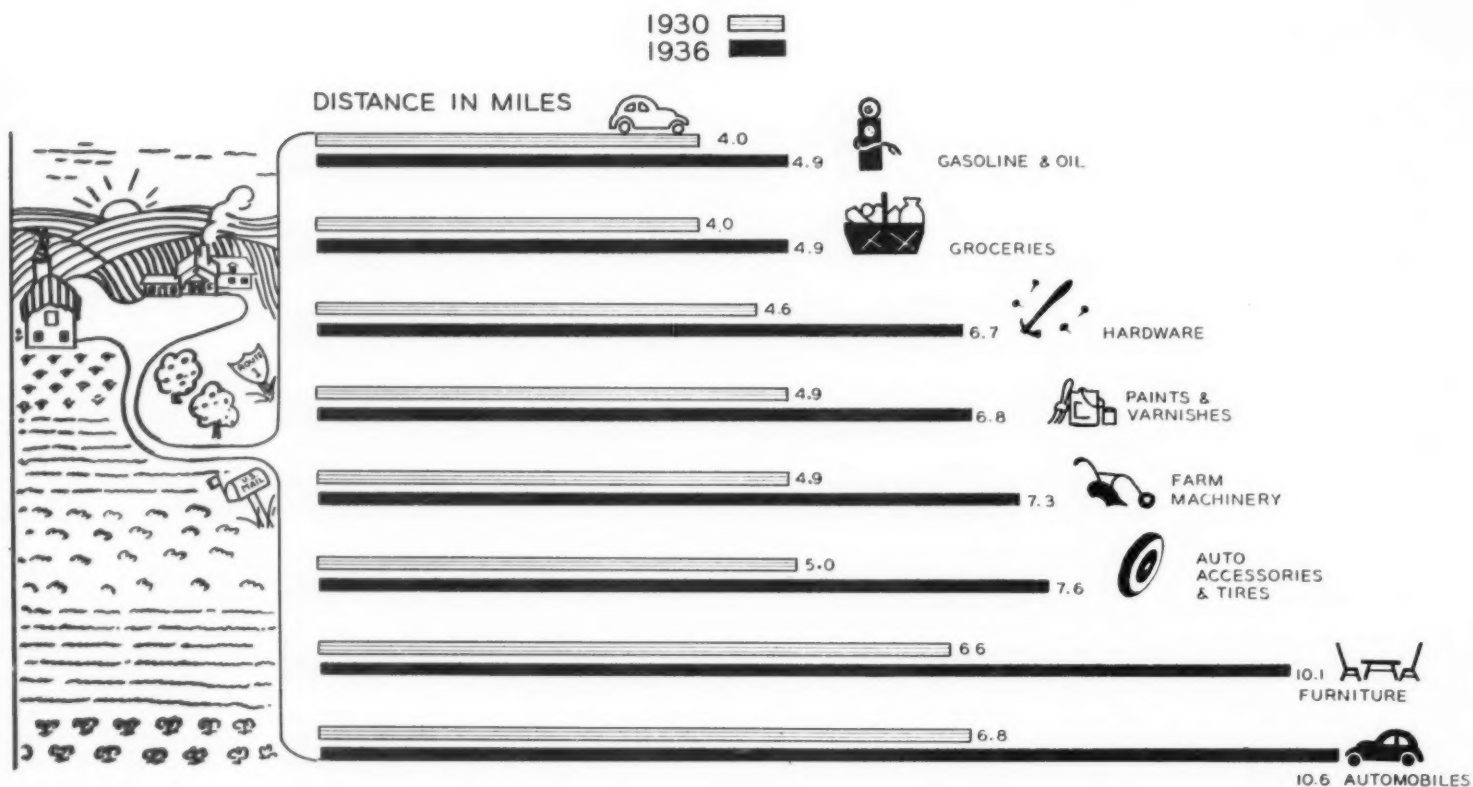
# FARM PURCHASING POWER NEARS '29 TOP



PICTOGRAPH BY  
*Sales Management*

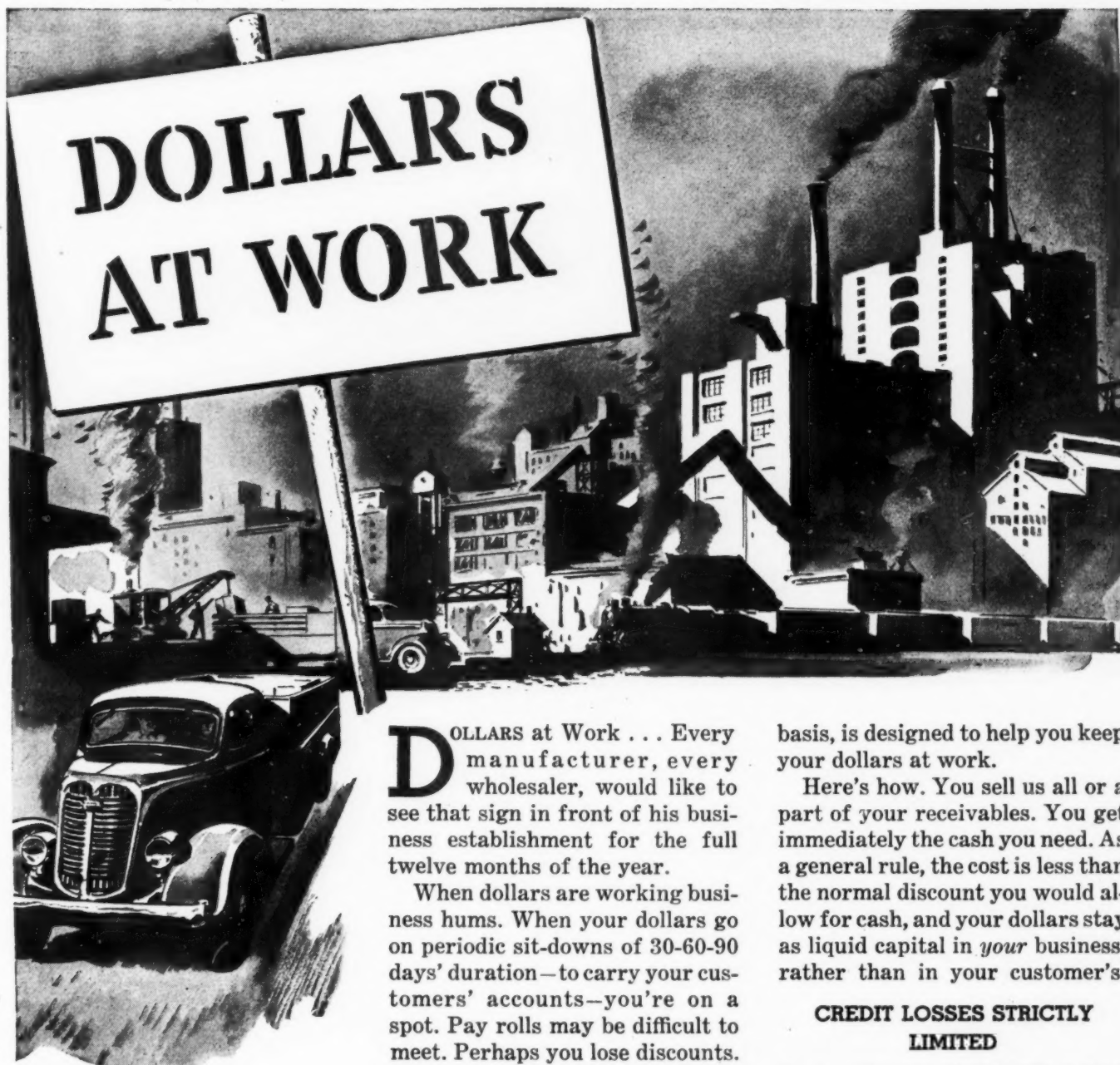
Source: 12 Months Moving Averages  
by Montgomery Ward & Co.

## DISTANCES FARMERS TRAVEL TO BUY



PICTOGRAPH BY  
*Sales Management*

Source: Successful Farming



★ ★ ★  
**Take** stock of your problems. Aren't there some situations, either temporary or recurring, which could be eased by a controlled cash position? Let us explain how we can help you.

★ ★ ★

**D**OLLARS at Work . . . Every manufacturer, every wholesaler, would like to see that sign in front of his business establishment for the full twelve months of the year.

When dollars are working business hums. When your dollars go on periodic sit-downs of 30-60-90 days' duration—to carry your customers' accounts—you're on a spot. Pay rolls may be difficult to meet. Perhaps you lose discounts. Perhaps your obligations slip past due. Perhaps you miss selling desirable new accounts.

#### **KEEP CAPITAL LIQUID — AND WORKING**

Commercial Credit Company's open account financing plan, operated on a "non-notification"

basis, is designed to help you keep your dollars at work.

Here's how. You sell us all or a part of your receivables. You get immediately the cash you need. As a general rule, the cost is less than the normal discount you would allow for cash, and your dollars stay as liquid capital in *your* business, rather than in your customer's.

#### **CREDIT LOSSES STRICTLY LIMITED**

Our exclusive LIMITED LOSS clause guarantees you against all credit loss beyond a small agreed percentage. It is a new form of protection in open account financing. It makes this modern, flexible type of sound, industrial financing attractive to the most conservative business executives.

## **COMMERCIAL CREDIT COMPANY**

**BALTIMORE**

**NEW YORK**

**CHICAGO**

**PORTLAND, ORE.**

**SAN FRANCISCO**

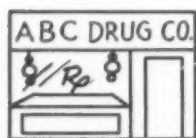
JANUARY 1, 1938

[37]

# IS CONSUMER DEMAND A MYTH?



QUESTION: IF THE BRAND YOU WISH TO BUY IS NOT STOCKED, DO YOU GO TO ANOTHER STORE OR DO YOU ACCEPT A BRAND WHICH THE DEALER RECOMMENDS AS BEING THE SAME QUALITY, AT THE SAME PRICE?



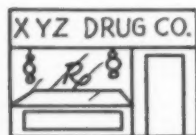
30%

ACCEPT DRUGGISTS RECOMMENDATION



58%

ACCEPT GROCER'S RECOMMENDATION



70%

GO TO ANOTHER STORE



42%

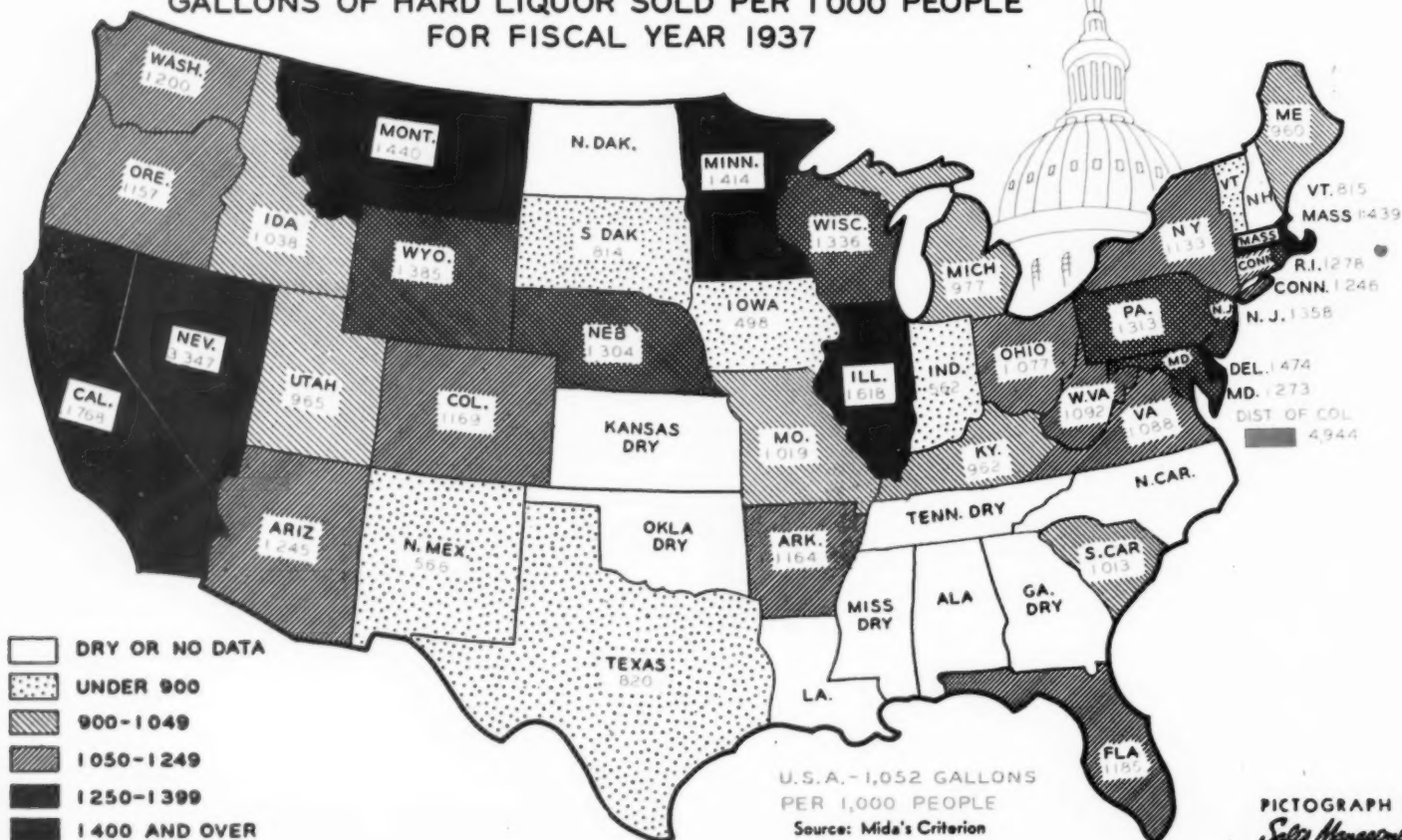
GO TO ANOTHER STORE

PICTOGRAPH BY  
*Sales Management*

Source: Survey Among Housewives Made for Sales Management by Market Research Corporation of America

## DIST. OF COL. LEADS IN LIQUOR CONSUMPTION; NATIONAL PER CAPITA IS ONE GALLON

GALLONS OF HARD LIQUOR SOLD PER 1000 PEOPLE FOR FISCAL YEAR 1937





# A SALES WEAPON TO CHANGE YOUR RED INK INTO BLACK!



THERE IS ONLY ONE PUBLICATION THAT HAS A FAMILY COVERAGE OF 8,000,000 OUT OF OUR 30,000,000 U. S. FAMILIES. THAT PUBLICATION IS SIMPLICITY MAGAZINE.

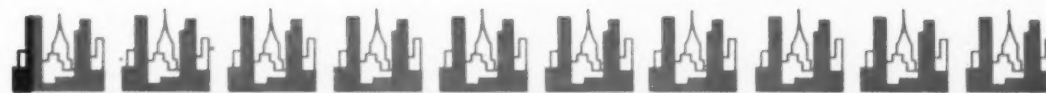


IN THESE FAMILIES THERE ARE SOME 26,500,000 HOME-MAKING WOMEN. THEY ARE THE BUYING HEADS OF THEIR FAMILIES AND ARE INVARIABLY "WOMEN WHO SEW." FROM THEM, SIMPLICITY GETS ITS ENTIRE READERSHIP BECAUSE ITS PAGES DEAL EXCLUSIVELY WITH FASHION AND SEWING.



LAST YEAR, OUT OF THE TOTAL 75,000,000 DRESS PATTERNS MADE, ONE COMPANY, ADVERTISING ONLY IN ONE PUBLICATION, SOLD 48,000,000. THESE WERE ALL SIMPLICITY MADE PATTERNS, SOLD THROUGH SIMPLICITY MAGAZINE.

SIMPLICITY HAS DONE A SALES JOB FOR US! CAN IT DO ONE FOR YOU?



LET'S SEE! THERE ARE 122,000 CITIES AND TOWNS IN THE UNITED STATES. LESS THAN 1% OF THEM HAVE A POPULATION OF 10,000 AND OVER... BUT



... IN THESE 995 KEY CITIES LIVE 49% OF ALL U. S. FAMILIES



... AND THESE 995 KEY MARKETS ACCOUNT FOR 70% OF ALL RETAIL SALES.



SIMPLICITY SENDS 81% OF ITS 8,000,000 MONTHLY CIRCULATION, (6,643,000 COPIES) INTO THESE KEY MARKETS...



... AND GIVES YOU A FAMILY COVERAGE IN THESE CITIES OF 45% ... A COVERAGE THAT CAN BE APPROACHED ONLY BY LOCAL NEWSPAPERS.

IN OTHER WORDS, SIMPLICITY GIVES YOU MORE CIRCULATION IN THESE 995 KEY CITIES THAN ANY OTHER MAGAZINE HAS IN TOTAL THIS IS WHERE THE BULK OF YOUR BUSINESS COMES FROM! ISN'T THIS WHERE YOU MUST ADVERTISE IN ORDER TO OUTSMART COMPETITION?

WHY NOT INVESTIGATE THE ONLY MAGAZINE THAT THOROUGHLY COVERS ALL YOUR BEST MARKETS?

WRITE FOR THE SIMPLICITY STORY TODAY

**Simplicity**  
MAGAZINE

333 NO. MICHIGAN AVE.  
CHICAGO, ILL.

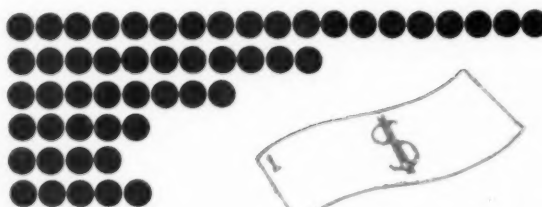
419 FOURTH AVENUE  
NEW YORK, N. Y.

ADVT.

## ADVERTISERS INVEST \$1 A WEEK IN AVERAGE FAMILY

IN 1937 THE ADVERTISING BILL PER FAMILY WAS \$52 AND WAS SPREAD IN THIS WAY.

NEWSPAPERS  
PRINTED MATERIALS  
MAGAZINES  
RADIO  
LITHOGRAPHED MATERIALS  
ALL OTHER MEDIA

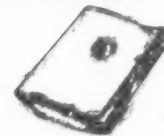


Source: Sales Management Estimates

## MAGAZINES, WITHOUT ADVERTISING, WOULD COST THREE TIMES AS MUCH



AN ANALYSIS OF SIX POPULAR MAGAZINES (2 WEEKLY, 2 GENERAL, 2 WOMEN'S) FOR THE FIRST HALF OF 1937 SHOWS THAT:



ⒸⒸⒸⒸⒸⒸⒸⒸ 8 CENTS WAS THE AVERAGE CONSUMER COST PER COPY  
ⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸⒸ 16 CENTS WAS THE AVERAGE ADVERTISING REVENUE PER COPY  
THE AVERAGE ADVERTISEMENT COST 17/100 OF 1 CENT PER SUBSCRIBER

Source: Computed From Publishers Information Bureau and Standard Rate and Data Service

## DAILY COST OF SPONSORED PROGRAMS IS 12 2/3¢ PER RADIO HOME



\$150,000,000 IS 1937 ESTIMATE FOR TIME AND TALENT



THERE ARE  
24,500,000 RADIO HOMES  
(33,000,000 INCLUDING AUTOMOBILE  
RADIOS AND DUPLICATE SETS)



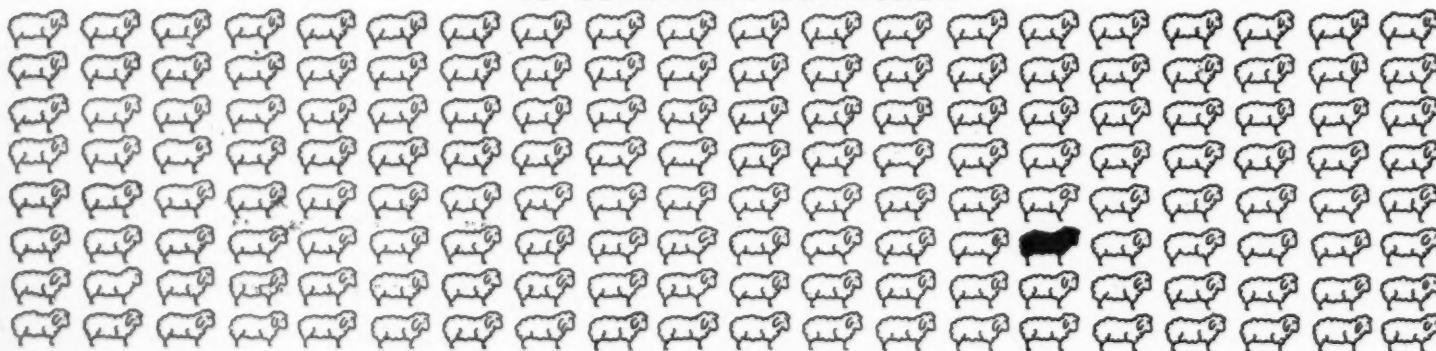
ONE HALF CENT PER YEAR PER RADIO HOME IS EXPENDITURE OF AVERAGE NATIONAL ADVERTISER USING RADIO

Source: SM Estimates Projected from N.A.B. 1936 Figures

## HOW TRUTHFUL ARE ADVERTISING CLAIMS?

DURING THE 1937 FISCAL YEAR THE FEDERAL TRADE COMMISSION EXAMINED  
576,032 NEWSPAPER, MAGAZINE AND RADIO ADVERTISEMENTS. 3,592 CONTAINED STATEMENTS "THAT APPEARED TO BE FALSE OR MISLEADING."

ONLY 1 ADVERTISEMENT OUT OF EVERY 160 SEEMS FALSE OR MISLEADING  
TO GOVERNMENT COMMISSION



PICTOGRAPH BY  
*Sales Management*

Source: 23rd Annual Report of the Federal Trade Commission

## New Guide to Use of Pictorial Statistics

Readers who have followed the development of SM's Marketing Pictographs section, and who are interested in applying pictographs in their own sales training, sales promotion and industrial and public relations should study "How to Use Pictorial Statistics." (Harper and Brothers, 170 pp., \$3.)

This new book by Rudolf Modley is a much-needed practical handbook on how to use this increasingly popular form of graphic presentation. Facts and figures need no longer be dull.

Mr. Modley is executive director of Pictorial Statistics, Inc., consultant to several of the Federal administrative departments, and an acknowledged authority on the dramatizing of statistical material.

The book discusses and illustrates all of the possibilities, the problems, the pitfalls of pictographs—how to gather, evaluate and select the statistical material, how to make both the statistical and the graphic layouts, how to execute the final chart.

### An Index to Business Indices

Two staff members of the Harvard Graduate School of Business Administration, Donald H. Davenport and Frances V. Scott, have written a book, "An Index to Business Indices," which is another real contribution to the busy executive. (Business Publications, Inc., 187 pp., \$3.)

The necessity for this type of reference work arises because a man wishing statistical information about his own or other businesses is confronted with the problem of going through a seemingly limitless mass of unorganized data in order to discover which series are of significance to him.

The volume provides first a finding index for most of the published series which have significance for the analysis of current business conditions, and second, a section in which each of the index numbers are classified and described. For example, how many of the thousands of business men who follow the New York *Times* Business Activity Index know that it is constructed from these sources and so weighted?:

Automobile production.....	3
Cotton cloth.....	3
Electric power.....	49
Lumber production.....	6
Miscellaneous loadings.....	19
Other loadings.....	8
Steel mill activity.....	10

100

JANUARY 1, 1938

# TROY is a *Rah! Rah!* town



Perhaps you've always thought of Troy as strictly an industrial city—but it's a rah-rah-sis-boom-ba town, too. The 1,400

embryo engineers at Rensselaer Polytechnic Institute, 500 young women at Russell Sage College and 200 girls at Emma Willard School can—and do—make a decided bit of collegiate atmosphere.

Education, in fact, is one of Troy's major businesses. Conservatively estimated, students and school staffs annually make retail purchases here in excess of \$2,400,000. Mighty nifty customers to have. In the higher income brackets. Able and eager to spend.

In fraternity house, dormitory and student lodgings, at faculty breakfast table and after dinner in the evening The Record Newspapers—Troy's sole dailies—are read every day. Read because only there can undergrads and school staffs get in one package the reports of the three big things that interest them: the school, goings on about town, the world at large.

These exceptionally well able to buy readers, in addition to the more than 119,324 residents of the A.B.C. Troy City Zone (which includes within its 4-mile radius Watervliet, Green Island, Cohoes and Waterford), are covered for you completely by The Record Newspapers.

You'll say "Rah, Rah" for Troy, too; because one medium gives you complete coverage for only 12c a line it's New York State's lowest cost major market.



J. A. Viger,  
Advertising Manager

[ 41 ]



# Is "Free" Merchandising Service with Advertising Really Free?

Perhaps there is some logic behind the policy some newspapers have adopted against furnishing "promotional cooperation" to every Tom, Dick and Harry who comes along with a 500-line contract. At least, Mr. Tacks can be—and is—very convincing about it.

The ninth of a number of diatribes\*  
**BY BRASS E. TACKS**

**A**MID all these discussions of "What are the true functions of an advertising agency?" I'd like to introduce one more question: "What are the true functions of a newspaper?"

Of course, your first reaction will be, "Oh, that's easy! The newspaper is the medium through which the consumer sees our advertisement, we hope. It's the medium by which we tell Mrs. Jones what a swell toothpaste Emulsified Iron Filings is. What other answer can there be?" And I'll agree that there shouldn't be any other. I used to think exactly the same thing. But, today, I'm not so sure.

To illustrate, we represent a smart little daily—the Beta *Bulletin*—which does not offer any merchandising cooperation to its advertisers. We refuse to write letters to the trade, to call on dealers or even to telephone a jobber and tell him that a campaign is breaking. "We render absolutely no merchandising service!" we say. And we mean exactly that.

Naturally, complaints galore float in from the field. "Hey, this *Bulletin* won't cooperate, kill them! Please switch immediately to the *Bee*!" Salesmen, agencies, ad managers—all yell as though they're being fleeced. It's not a question of circulation or rate—it's just "Where's my prize? I don't want just crackerjack. I want a prize."

Nobody's actually told us that we can't run our business as we want. No one's ever openly disputed our privilege to offer exactly what we choose to at exactly our own price. But many people have come awfully close; and almost none of them will listen to and absorb the very generous and sensible logic behind our stand.

The *Bulletin* monopolizes Beta. We

lead the field—not by a slight edge, but by a substantial margin. We can do almost anything we want from a rate standpoint and we'd still get most of the business. Today, we offer 30,000 circulation for 9 cents against the *Bee's* 25,000 for 10 cents. Furthermore, our circulation is confined to the urban area of Beta, whereas the *Bee* scatters copies like a salt cellar in wet weather. Retailers give the *Bulletin* about triple their *Bee* lineage. And general advertisers have handed us a two-to-one lead for over ten years. In short, we have the market.

You can see, we might very easily raise our line rate to 10 cents (or even higher). We wouldn't lose any business. We'd still be a far better buy than the *Bee* and there'd still be just as many national advertisers wanting to cover the Beta market. That's our enviable position, but our publisher refuses to take advantage of it.

Some five years ago, we held a meeting in his office. He's a delightful old fellow. And so are all of his associates. They know that the *Bulletin* is a gold mine. They know, also, that they can make it pay even better. But, they take the attitude that they needn't be greedy. They're already getting a tremendous advertising revenue. "Let's just be grateful for what we have," they say, "and let things remain as they are."

Therefore, at this meeting, when the idea of raising the national rate was suggested, the publisher meditated a moment and then said, "No." Then he went on, "We're not entitled to any more even though, as you point out, we can very easily get it. Instead, we'll eliminate all merchandising service. That thing's grown to be a nuisance anyhow. Let's just tell advertisers that we're refunding a penny or two on each line and let them use that saving to do their own merchandising work.

They can buy what they want as they need it. And they should end up with dollars in their pockets."

Chew over that philosophy for a while. Isn't it sound? Why shouldn't an advertiser buy his merchandising service separately? What connection does it have with white space? Why isn't the 20,000-line advertiser entitled to four times as much service as the 5,000-line advertiser and how else can he get it? If an advertiser saves one cent a line on 20,000 lines, doesn't that represent a total saving of \$200? Isn't that plenty to do a bang-up merchandising job in Beta?

In short, why make all advertisers pay the higher rate when only a few will profit by the additional service offered?

To me, this seems like excellent logic. National advertisers, I claim, should jump with joy. The various advertising associations should pat us on the back. They should all work toward reduced advertising rates, with the understanding that merchandising jobs are separate things to be done on a fee basis.

But, do they jump with joy? No. They holler. "We've been robbed!" they yell; "we don't care if your rate is low, give us our merchandising service! We know our rights!"

We reply, "Surely, we'll be glad to arrange for all the merchandising you want. See the Jones Merchandising Service. Here's their address."

"What do you mean—buy outside service?"

"Yes, you buy exactly what you need, and you pay for only what you get."

"Wow, wow, wow," they bellow, "no, no, we want it free! Do like the other papers! No fee! Free!"

TO AGENT K-79:

Frankly, sir, I feel spared—probably somewhat like Daniel did when the lion failed to spring. For I'll confess that if you take a good look you can uncover plenty of silly practices in our current systems of peddling newspaper space—most of them justifying considerably stronger language than the milk-toast verbiage of your December 1 "blast." This entire media field, in my humble opinion, is in need of a major shake-up. And it is a real pleasure to have our cooperation in producing what may turn out to be the first tremor. So, on with the feud—and let me know when you run out of things to say about us.

Sincerely yours,  
BRASS E. TACKS.

\* Other articles in this series appeared March 1, May 1, May 15, June 1, July 15, August 15, September 1, November 1.

"Well, then change your estimate on the *Bulletin* to read 10 cents a line. That will raise your total figure by \$50. It's still a fair rate. Then, with the extra \$50, Mr. Jones will do anything you want. With that much money, he can hire the mayor to put on a white apron and serve your dog food personally to every pooch in the city pound."

"Oh, no, no, no! You're beating around the bush. What we want is merchandising at your regular rate. We have no money to buy it separately."

"But, perhaps you're going the other way around the same bush. To be blunt, you positively can't get any co-operation out of the *Bulletin*. If merchandising is so important, why didn't you provide for it in your budget? Our low rate provides ample room for you to do so."

But nobody's grateful.

The agency doesn't care what our rate is; their only question is, "Which is the better buy?" The advertiser doesn't care either; he just looks at his total campaign figure. The district manager doesn't even know. All he can see is that here's a paper that won't give him exactly what he wants. It wouldn't make any difference if we donated the space free, he'd still be getting gypped.

—But a Higher Rate Is O.K.

We'd save ourselves a lot of headaches if we'd up our rates. An increase of one cent a line would add about \$10,000 to our annual advertising income. With it, we could hire a couple of good, \$3,000 men and send them around to annoy the local merchants with mimeographed letters and counter cards. A lot of advertisers would think better of us if we'd tax them this additional penny. They'd be glad to pay us an extra \$100 a year just to be able to get a postcard sent to 30 outlets.

Yet, we know very well that it's not sound. We shouldn't do it (we can't with a clear conscience). Those two men wouldn't be busy half the time. We'd just be sticking additional, unearned cash in our pocket.

I had dinner a few nights ago in a chain restaurant that operates on a price basis. Just as I was trimming the crust from my pie, I heard a commotion at the next table. Looking over, there was a glowering patron asking the manager, "What do you mean, the second cup of coffee isn't free?"

Brother, thought I, you should be a district manager.

JANUARY 1, 1938

He's sales manager of a Chicago firm. From his office he's holding a telephone conference with the Cincinnati branch office superintendent (see page 50) and a Memphis distributor (see page 60) by Bell System CONFERENCE

SEE PAGES 50, 60



TELEPHONE SERVICE. Each of the three men can hear and be heard, can ask questions and compare ideas. They are clearing up in minutes a matter that might have dragged on for days and cost a lot of dollars. Easy, inexpensive.



## Do You Make a Quality Consumer Product?

*Is Your Primary Problem Winning Distribution and Expanding Volume through High Grade Retailers?*

An executive is available for a permanent connection with such a company—a man well equipped with energy, resourcefulness, and a broad background of experience which will enable him to handle management problems with a high degree of efficiency.

This man, in addition to substantial marketing experience abroad, ten years spent in major executive capacity with a \$400,000,000 business, and a period as counsellor to several industry-groups, has the added equipment of valuable first-hand experience in handling difficult labor problems and broad angles of public relations.

He knows how to win loyalty from employees. He understands business finance, and he is thoroughly capable of planning with big retailers the kind of large-scale retail promotion which wins preferred treatment for merchandise.

Replies will be held in the strictest confidence, and an interview will be arranged on request. This executive prefers a connection in or near New York City.

BOX 572

SALES MANAGEMENT

420 Lexington Avenue, New York City

*Thank You,*

**AETNA LIFE!**

Dear Mr. Eaton:  
I want to convey to you my personal appreciation and the appreciation of all of my associates for the many courtesies which you extended to us during our Regional Conference at your Hotel.

It seems to be the consensus of opinion that this was one of the finest conferences we have ever had. You and your staff were responsible for the success of our meeting more than you realize. All of our group are anxious to return to the Cavalier at some future date. We feel that you did a perfectly marvelous job.

Sincerely yours,  
AETNA LIFE INSURANCE CO.,  
S. T. Whatley, Vice-President  
Hartford

*The* **Cavalier**  
Hotel and Country Club  
Virginia Beach  
Roland Eaton  
MANAGING DIRECTOR



# How 5,000 Consumers Rate Grocery and Soap Advertisements

Campbell soup again leads in favorable mentions, followed by Coca-Cola and Palmolive. Lifebuoy soap, as in 1935, receives largest number of unfavorable mentions, and jumps to first place in total mentions.

This is the 60th of the surveys made for SALES MANAGEMENT by the Market Research Corporation of America under the direction of Percival White and Pauline Arnold, and the fourth in the series summarizing the advertising reactions of 5,000 typical consumers. The field work for this study was conducted in June, 1937, in 137 cities and towns—with both communities and people correctly proportioned as to location, income groups, age groups, etc.

The January 15 issue of SM will contain an analysis of the reactions to drug, toilet goods, furniture and house furnishings advertisements.

**F**OOD advertisements continue to be the best remembered. Typical consumers, when asked the simple questions, "What recent advertisements have impressed you favorably?" and "What recent advertisements have impressed you unfavorably?" mentioned seven important consumer products in this order: Food, drugs and toilet goods, cigars, cigarettes and tobacco, automotive and tires, soaps and cleansers, furniture and house furnishings. This order does not vary materially from the total advertising pressure directed by each industry on consumers.

But while food products were recalled more often than any other in the current study, the ratio to total mentions was cut materially in a two-year span. In 1935 nearly half of the mentions were of products sold in grocery stores, but in the current study the ratio was 2 out of 10. Despite this shrinking of the ratio, 5,000 typical consumers mentioned 12% more food product advertisements than in 1935.

They were slightly more critical. Two years ago 93% of the food product mentions were favorable, but in 1937 the percentage dropped to 88.

[44]

## What Advertisements Do Consumers Like, Dislike, Notice?

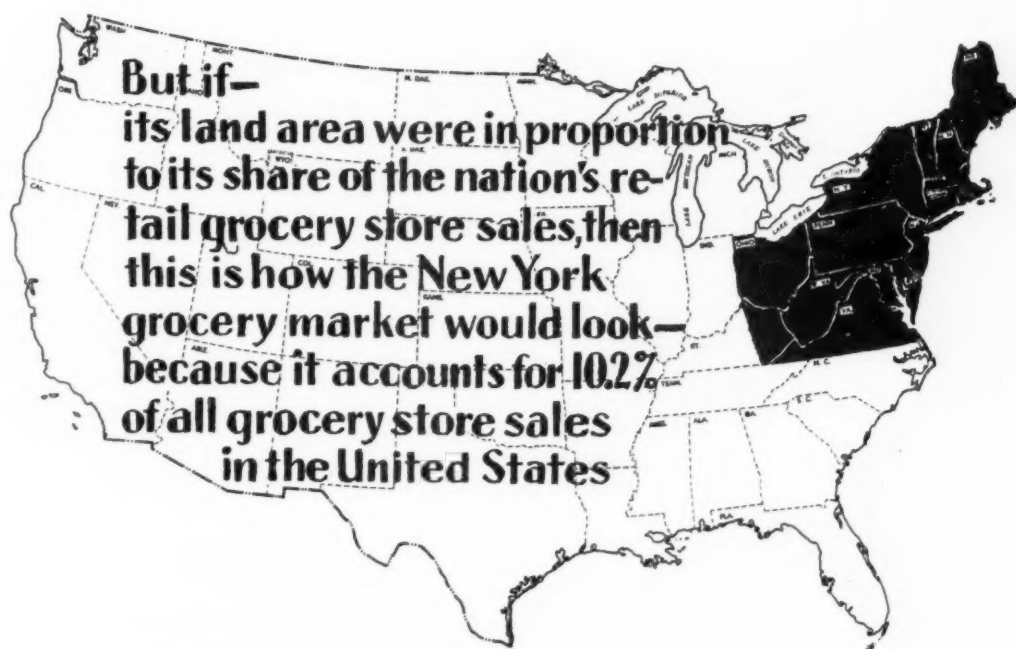
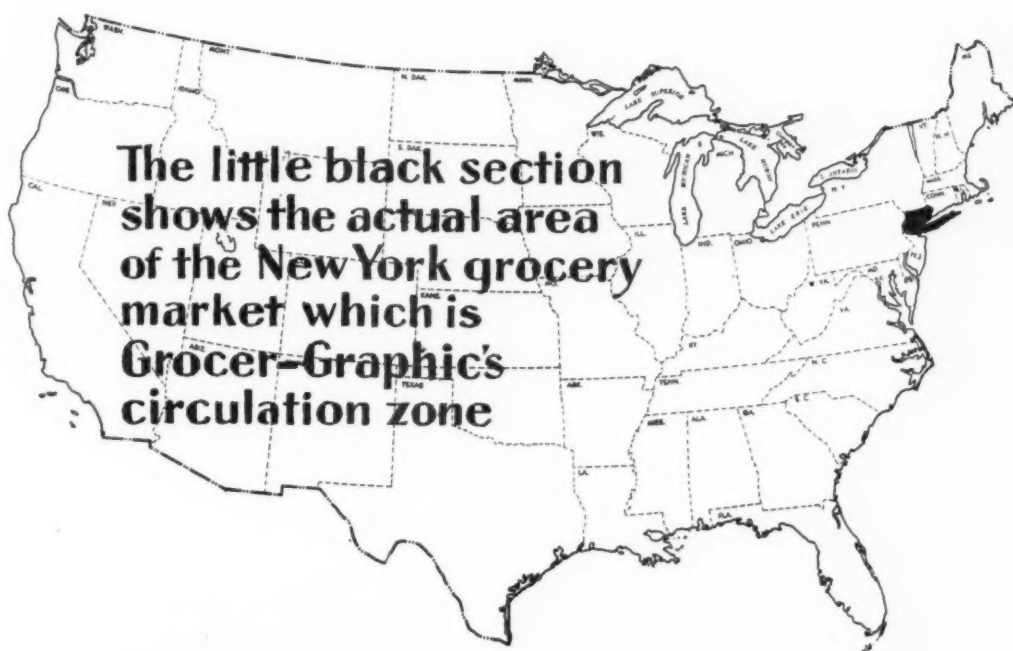
A Summary of the Mentions of Foods, Food Beverages, Confectionery, and Soft Drinks Made by 5,000 Typical Consumers

PRODUCT OR COMPANY	Favorable Mentions	Unfavorable Mentions	Total Mentions	Ratio Favorable to Total Mentions	Ratio of Total Mentions to 1935 Study
A. & P. Stores.....	7	1	8	87	146
Arm & Hammer Soda.....	1	2	3	33	100
Armour Products.....	116	0	116	100	985
Baker's Chocolate.....	5	0	5	100	25
Baker's Coconut.....	2	1	3	67	15
Beech-Nut Products.....	21	6	27	77	164
Bisquick.....	17	0	17	100	50
Bond Bread.....	9	1	10	90	200
Borden's.....	8	0	8	100	24
Clapp's Baby Food.....	5	0	5	100	*
Colonial Bread.....	7	2	9	77	...
Campbell Soups.....	225	10	235	91	73
California Fruit Growers Exchange.....	20	0	20	100	33
Calumet Baking Powder.....	4	2	6	67	19
Canada Dry.....	5	0	5	100	67
Carnation Milk.....	9	0	9	100	106
Chase & Sanborn.....	50	9	59	85	74
Cocomalt.....	7	1	8	87	133
Cream of Wheat.....	16	2	18	88	212
Crisco.....	137	15	152	90	116
Coca-Cola.....	159	8	167	95	547
Certo.....	7	5	12	58	480
Dole's Pineapple.....	29	2	31	93	...
Del Monte Products.....	56	1	57	98	45
Dr. Pepper.....	8	0	8	100	...
Dentyne Gum.....	2	2	4	100	...
Folger's Coffee.....	4	3	7	55	...
French's Mustard.....	2	1	3	67	...
Fleischmann's Yeast.....	10	32	42	24	84
Gerber Products.....	5	0	5	100	40
Grape-Nuts.....	6	4	10	60	333
Gold Medal Flour.....	53	1	54	98	66
General Foods.....	4	0	4	100	...
Hellman's Mayonnaise.....	3	4	7	43	...
Heinz Products.....	99	4	103	96	66
Horlick's Malted Milk.....	13	2	15	87	375
Hormel Products.....	3	0	3	100	20
Hawaiian Pineapple.....	6	1	7	86	...
Jeil-O.....	107	6	113	95	104
Kaffee-Hag.....	3	10	13	23	325
Karo Syrup.....	15	4	19	79	543
Kellogg's Cereals.....	21	7	28	75	373
Knox Gelatine.....	6	0	6	100	17
Kraft Cheeses.....	77	2	79	97	743
Kool-Aid.....	6	2	8	75	...
Kelp-A-Malt.....	0	3	3	0	...
Lightcrust Flour.....	3	1	4	75	...
Libby Products.....	51	2	53	96	82
Miracle Whip Salad Dressing.....	23	2	25	92	...
Maxwell House Coffee.....	36	2	38	95	83
Morton's Salt.....	1	3	4	25	80
Merita Bread.....	6	0	6	100	...
National Biscuit Co.....	7	0	7	100	242
Nucoa.....	6	0	6	100	...
Ovaltine.....	16	20	36	47	189
Pet Milk.....	6	2	8	75	29
Pillsbury Products.....	37	1	38	98	40
Pestum.....	9	11	20	45	235

NOTE—A blank under "Ratio of total mentions to 1935 study" means that the product received less than 5 mentions by five thousand consumers in 1935.

(Continued on Page 46)





Every Tuesday morning the leading 16,000 independent grocers in the New York market, who average better than \$1,000,000 in sales each business day, reach for Grocer-Graphic . . . The tabloid newspaper that really serves their vital needs.

*To Increase your Sales in the New York Market, use*

**GROCER-GRAPHIC**

*Read by the Man on the Selling Line*

420 Lexington Ave., New York

Tel. MOhawk 4-1760

## What Advertisements Do Consumers Like, Dislike, Notice?

A Summary of the Mentions of Foods, Food Beverages, Confectionery, and Soft Drinks Made by 5,000 Typical Consumers

(Continued from Page 44)

PRODUCT OR COMPANY	Favorable Mentions	Unfavorable Mentions	Total Mentions	Ratio Favorable to Total Mentions	Ratio of Total Mentions to 1935 Study
Phillip's Soup.....	8	0	8	100	...
Post Toasties.....	2	6	8	25	133
Quaker Oats.....	42	2	44	95	488
Rumford Baking Powder.....	8	0	8	100	...
Ralston Cereals.....	4	1	5	80	125
Royal Baking Powder.....	11	2	13	85	24
Royal Gelatine.....	9	2	11	82	32
Ritz Crackers.....	8	1	9	89	...
Sealtest.....	5	0	5	100	...
Spry.....	58	4	62	93	...
7-Up.....	3	0	3	100	...
Sanka Coffee.....	5	4	9	55	...
Sunshine Crackers.....	5	0	5	100	...
Shredded Wheat.....	18	5	23	78	920
Snowdrift.....	6	0	6	100	75
Sure-Jell.....	3	0	3	100	...
Swansdown.....	38	2	40	95	44
Swift's Products.....	135	0	135	100	113
Tenderleaf Tea.....	31	2	33	94	...
Wonder Bread.....	1	2	3	33	...
Wesson Oil.....	4	0	4	100	59
Wheaties.....	35	27	62	56	496
White Rock.....	4	1	5	80	71
Whitman Candy.....	3	0	3	100	67
Wilson's Ham.....	8	1	9	88	...
Yeastfoam.....	1	2	3	33	86
Underwood Deviled Ham.....	2	1	3	67	...
Wrigley's.....	21	10	31	68	87
THE INDUSTRY.....	2,311	311	2,622	88	112

### Soaps and Cleansers (including toilet soaps and shampoos):

Bab-O.....	5	0	5	100	167
Boraxo.....	5	0	5	100	...
Bon Ami.....	12	2	14	86	165
Camay.....	83	16	99	84	211
Cashmere Bouquet.....	4	4	8	50	229
Chips.....	18	4	22	82	71
Clorox.....	3	...	3	100	...
Colgate's.....	1	2	3	33	...
Cuticura.....	1	3	4	25	...
Drene Shampoo.....	21	8	29	73	...
Drano.....	3	2	5	60	91
Dreft.....	5	0	5	100	...
Fels Naptha.....	15	39	54	28	900
Fitch Shampoo.....	7	5	12	58	...
Ivory Soap and Flakes.....	142	21	163	87	150
Lava.....	3	2	5	60	...
Lux Flakes.....	102	88	190	54	317
Lux (Toilet).....	29	6	35	83	...
Lifebuoy.....	62	263	325	19	500
Lint.....	1	4	5	20	...
Old Dutch Cleanser.....	20	5	25	80	105
Oxydol.....	47	13	60	78	800
Palmolive.....	154	25	179	86	511
P. & G.....	17	4	21	81	123
Rinso.....	57	31	88	65	198
Super Suds.....	19	11	30	63	546
Sun Brite.....	1	5	6	17	240
Sergeant's Dog Soap.....	1	2	3	67	...
Windex.....	6	2	8	75	...
Woodbury's.....	33	15	48	69	1,600
White King.....	8	1	9	89	70
Sweetheart Soap.....	1	2	3	33	...
THE INDUSTRY.....	901	588	1,489	60	265

NOTE—A blank under "Ratio of total mentions to 1935" study means that the product received less than 5 mentions by five thousand consumers in 1935.

They were much more critical of soaps and cleansers. Two years ago, the ratio of favorable to total mentions was 79, now it is only 60.

The listings of the accompanying products are confined, because of space limitations, to the products or companies receiving a total of three or more mentions, and it also was necessary to consolidate many individual product mentions of companies making several products. For example, some of the mentions of Heinz, Armour and Swift were for individual products, while other respondents mentioned the parent name only. We have therefore consolidated the mentions under the company name.

### 10 Most Favored Food Advertisers

Rank in Favorable Mentions	Company or Product	Number of Favorable Mentions in 1935	Rank
1	Campbell Soup Co.	225	1
2	Coca-Cola	159	..
3	Crisco	137	3
4	Armour & Co.	116	..
5	Jell-O	107	6
5	Swift & Co.	107	5
7	H. J. Heinz Co.	99	2
8	Kraft Phenix Co.	77	..
9	Spry	58	..
10	Del Monte Products	56	4

Products which were among the first ten in favorable mention in 1935, but are not in the above list, are Pillsbury Products, Swansdown, Gold Medal, Libby McNeil & Libby. Coca-Cola, Armour, Kraft and Spry were not in the first ten in 1935.

Products or advertisers receiving the largest number of unfavorable mentions: Fleischmann's yeast, 32; Wheaties, 27; Ovaltine, 20; Crisco, 15; Postum, 11; Wrigley's gum, 10; Campbell soups, 10; Kaffee Hag, 10; Chase & Sanborn, 9; Coca-Cola, 8. In the 1935 study, products of Standard Brands, Inc., topped all others in unfavorable mentions, with 77 going to Chase & Sanborn coffee and tea and 60 to Fleischmann's yeast.

### 10 Most Favored Soap Advertisers

Rank in Favorable Mentions	Company or Product	Number of Favorable Mentions in 1935	Rank
1	Palmolive Soap...	154	5
2	Ivory Soap and Flakes	142	1
3	Lux Soap and Flakes	131	2
4	Camay	83	3
5	Lifebuoy	62	10
6	Rinso	57	4
7	Oxydol	47	13
8	Woodbury	33	15
9	Drene	21	..
10	Super Suds	19	14

Products receiving the largest number of unfavorable mentions: Life-

SALES MANAGEMENT

buoy, 263; Lux Flakes, 88; Fels Naptha, 39; Rinso, 31; Palmolive, 25; Ivory, 21; Camay, 16; Woodbury, 15; Oxydol, 13, and Super Suds, 11. It is interesting to note that Lifebuoy, which was third in total mentions of soaps and cleansers in the 1935 study, is first today and received 50% more mentions than the next nearest competitor, its sister product, Lux Flakes. Unfavorable mentions greatly exceeded favorable (by a ratio of 4 to 1) but nevertheless there were 6 times as many favorable Lifebuoy mentions this year and the total mentions for the product jumped 369%.

As we pointed out in connection with the 1935 study, advertisers and their agencies will have to decide for themselves the importance of *mention*, whether it be favorable or unfavorable. It might be argued, for example, that it is far better to receive a large number of unfavorable mentions than to receive no mentions at all, or very few. The sales success of Lifebuoy points in this direction. Unfavorable mentions mean at least that the advertising has been noticed and remembered.

#### 10 Most Mentioned Products: Food Products and Soaps

Favorable Plus  
Unfavorable Mentions

1. Lifebuoy ..... 325
2. Campbell's Soups ..... 235
3. Lux Soap & Flakes .... 225
4. Palmolive ..... 179
5. Coca-Cola ..... 167
6. Ivory Soap & Flakes ... 163
7. Crisco ..... 152
8. Swift ..... 135
9. Armour ..... 116
10. Jell-O ..... 113

Subscribers with a statistical bent may care to measure the efficiency of their advertising expenditures by relating the mentions in the accompanying tables (total, favorable, or unfavorable) to the total advertising expenditures of their company and competitors.

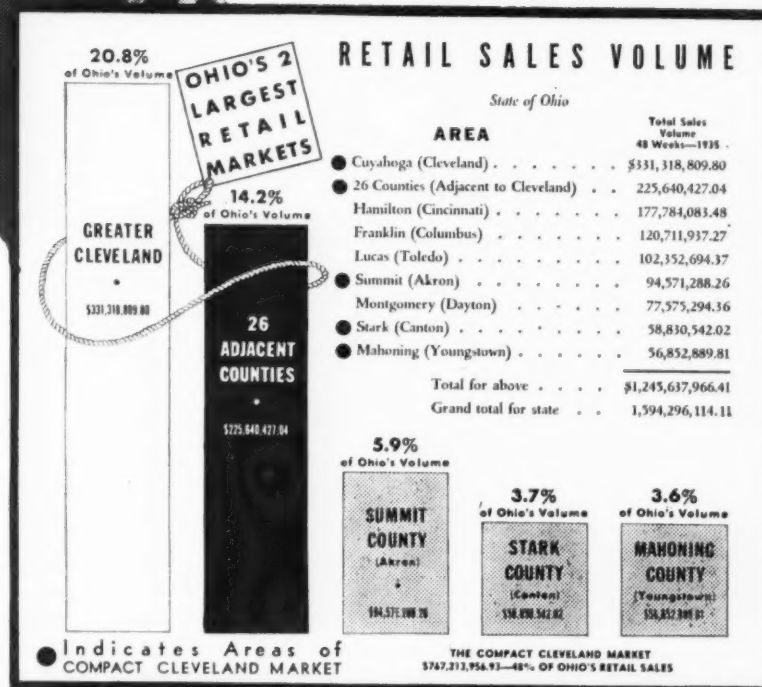
#### Holeproof Hosiery Co. Names Chalmers V.-P.

D. K. Chalmers succeeds the late Felix Lowy as vice-president and general manager of Holeproof Hosiery Co., Milwaukee. Starting with the firm in 1909 as a stock clerk in the San Francisco branch, he became manager of the Los Angeles branch six years later. By the Spring of 1937 he was called to head all of Holeproof's activities in the East, with headquarters in New York. For some months he will divide his time between there and Milwaukee.

JANUARY 1, 1938



## Sell Both Cleveland and Ohio's Second Largest Market



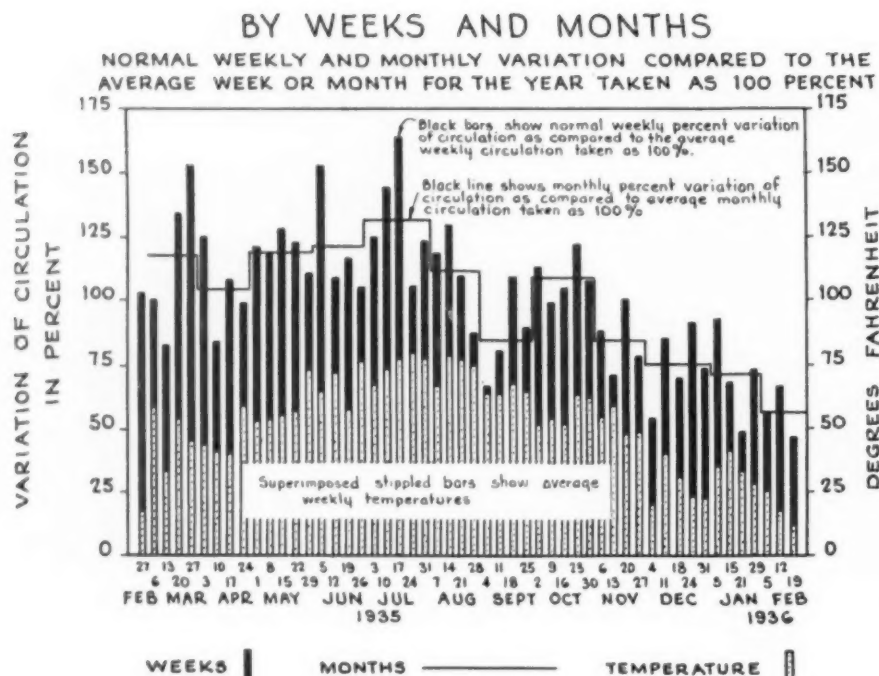
Ohio's Sales Tax figures show that the 26 counties surrounding Cleveland (not including Akron, Canton and Youngstown) form the *second largest market in Ohio*. Your distributor or jobber in Northern Ohio thoroughly covers these 26 counties because he knows this market is *more than two-thirds as great as Cleveland!*

There is only one economical way to cover this rich, closely-knit market. The Daily Plain Dealer reaches Ohio's second largest market in addition to its coverage of Cleveland. One cost delivers the two largest markets in Ohio, containing 35% of the entire state's retail sales.

You'll want a copy of the Plain Dealer's Sales Tax Study. Write us, or John B. Woodward, Inc., today.

# Cleveland PLAIN DEALER





DATA FROM LABORATORY CITIES

Month-by-month cycle of window display circulation.

## Find Method to Select, Evaluate Window Display Circulation

McClintock-Haase research project publishes findings on study conducted in 19 test cities. ANA, AAAA, LNA sponsor.

FOR more than two years advertisers and others who are interested in window display have looked forward to the completion of a study by the Advertising Research Foundation of the Association of National Advertisers and the American Association of Advertising Agencies in cooperation with the Lithographers National Association. Last month came the results in the form of a large-size book called "Window Display Circulation and Market Coverage," and priced at \$10.

The research work was carried on under the direction of Dr. Miller McClintock and Albert E. Haase, with field work and analysis under the direction of John Paver. All three have been closely associated for years in the application of traffic data to advertising and merchandising problems. Committees representing the ANA, AAAA and LNA cooperated in the survey, which was conducted in 19 test cities at a cost of \$44,000.

Four definite conclusions on window display advertising contained in the report are: (1) The circulation of window display advertising can be

evaluated by uniform methods; (2) the volume and quality of the circulation can be defined; (3) varying degrees of intensity of circulation can be obtained, and (4) the cost of window display circulation can be determined.

More than a million display windows are available in seven types of stores throughout the country (See table below).

Confectionery stores' windows are the narrowest, drug stores' are the lowest and shallowest, furniture stores' have the largest spaces. Grocery stores' on the average are 6.7 feet in length,

6.4 feet in height and 3.3 feet in depth.

To achieve minimum display distribution the average daily window display circulation passing a display should equal 25% of the population of the market. In Des Moines, Iowa, for example, six windows in the central business district, one in the secondary business districts and 14 in neighborhood business districts will have a circulation of 29,100 in an 18-hour business day out of a total population of 142,500.

Most of the 88 pages of the book are given over to tables and charts, which should enable the advertiser to take his window display advertising out of the hit-or-miss, rule-of-thumb class and to conduct it along at least as scientific lines as he applies to such established mediums as newspapers and magazines. Knowing the cost of the display itself, the cost of installation, and the probable circulation, he can work out cost per thousand circulation just as he does with publication space.

The ebb and flow of near-side pedestrian traffic (and that is all that counts in window display circulation, the report tells us) varies by hours of the day, days of the week and months of the year. The illustration reproduced from the book shows rather extraordinary variations by months in a typical central business district. The largest number of men are on the street at 12:30, the largest number of women at one o'clock, the largest number of children at 4:30. One o'clock is the big hour for men, women and children combined.

The report will not only be generally helpful to advertisers and agencies, but also to the window display installation services, whose work is now given the dignified recognition which it has deserved for a number of years, and especially since the founding of Window Advertising, Inc., the organization headed by Frederick Wertz, which supervises the distribution and installation of displays on a national scale.

### Where Your Display Windows Are

Kind of Store	Number of Stores	Average Window Display Space Per Store	Total Estimated Window Display Spaces
Apparel .....	69,101	1.99	137,510
Cigar .....	15,340	1.66	25,464
Drug .....	56,519	2.11	119,255
Furniture .....	19,603	2.33	45,674
Grocery, Meats, Fruits & Vegetables ....	393,648	1.87	708,566
Hardware .....	26,951	2.08	56,058
Radio Dealers .....	4,309	1.74	7,498

# THIS IS THE PALM BEACH BILTMORE PLAN:

(A COMPLETE PALM BEACH  
VACATION WITHIN THE MODERATE  
AMERICAN PLAN RATES!)

1—Splendid accommodations, service and cuisine at this fine hotel, overlooking Palm Beach from its Infanta Gardens beside Lake Worth and the beautiful Lake Trail. A season's entertaining program of social events at the hotel.

2—Guest membership privileges (upon committee approval) in two exclusive Palm Beach Clubs for golf and surf bathing . . . the Sun and Surf Club, with its beach, pool, and clubhouse on the ocean . . . the Palm Beach Country Club, with its sea-to-lake golf course, finest on the island, spacious clubhouse and facilities for docking yachts and sports fishing craft.

3—Transportation via the hotel's private fleet of aerocars, luxurious parlor cars of the highways, from the Palm Beach Biltmore's door to all the vacation interests of the Palm Beach area.



For 1938, the Palm Beach Biltmore hotel offers this unique "complete vacation" plan. The moderate American plan tariffs include accommodations, meals, privileges of these two exclusive clubs, and local transportation via swift aerocars. We are confident everyone will agree that this plan adds a world of enjoyment to a sojourn at Palm Beach, with new convenience of vacation living and remarkable economy.

● For further information about the Palm Beach Biltmore and the Palm Beach area, communicate directly with the hotel, with the New York office at 551 Fifth Avenue, telephone MURray Hill 2-0521, or the Chicago office at 120 South La Salle Street, telephone FRAnklin 4645.

*Palm Beach* **BILTMORE**  
P A L M B E A C H

*Opens January—Under the same ownership and direction  
as the British Colonial Hotel, Nassau, Bahamas.*

# Advertising Campaigns

[Old and New Products as Promoted in Newspapers, Magazines, Radio, Trade Papers and Direct Mail]

## Saraka

Schering Corp., Bloomfield, N. J., maker of Saraka laxative, has okayed its ad schedule for the year prepared by Marschalk & Pratt, Manhattan agency. Included on the list are *This Week*, *Metropolitan Sunday Newspapers*, *Mid West Rotogravure*, and six drug trade papers.

Also, space has been reserved in *Collier's*, *Ladies' Home Journal*, *Liberty*, *S. E. P.*, *McCall's*, *Pictorial Review*, *Redbook*, *True Story*, and *Family Circle*. Total circulation exceeds 38,000,000.

## Full Steam Ahead

Grace Line, New York, slides a campaign down the ways for its new weekly cruises to Caribbean ports. A series of pages in daily newspapers of New York, Chicago, Philadelphia, Pittsburgh, Washington, and Boston launch the affair, with smaller space to follow.

The liners *Santa Rosa*, *Santa Paula*,

and *Santa Elena*, formerly plying between New York and California, have been put on the Caribbean run, the first such weekly service of any line. First sailing is on January 7.

"Every comfort and luxury in ships built especially for tropical cruising; all outside rooms, each with private fresh water bath; outdoor tiled swimming pool; and no passports required" are among the talking points stressed by agents Kelly, Nason & Winsten, N. Y.

## Chopped Foods for Baby

Harold H. Clapp Co., Rochester, N. Y., subsidiary of Johnson & Johnson, will spend \$100,000 promoting its chopped canned foods for babies—"the first new development in foods for the very young since Clapp's strained baby foods were brought on the market 14 years ago."

Besides a large list of medical publications, agents Young & Rubicam, N. Y., will place copy in *Good Housekeeping*, *Woman's Home Companion*,

*McCall's*, *Macfadden Women's Group*, and *Parents Magazine*.

Eight varieties of chopped foods are offered as "stepping-stones between Clapp's baby foods and grownup diet; "formulas were worked out through consultation with eminent pediatricians."

Strained baby foods will continue to be advertised in consumer magazines to the tune of a \$200,000 appropriation.

Both kinds of foods will be prepared in a new factory, 86,000 square feet, just opened at Rochester "to meet the accelerated production schedule necessitated by a 400% sales increase in the past three years."

## A 'n' A Out, Mickey In

Amos 'n' Andy ended one of radio's longest partnerships December 31. Since 1929 they worked continuously for Pepsodent Co. On January 3 they start a fresh program for Campbell Soup Co. over the same network and at the same time as before—44 NBC Red stations, from 7 to 7:15, five nights a week. F. Wallis Armstrong Co., Philadelphia, is Campbell's agency.

Into the ether hiatus left by the blackface comedians Pepsodent (and Lord & Thomas agency, N. Y.) will shove that veteran trouper M. Mouse. Called "Mickey Mouse's Theatre of the Air," with creator Walt Disney as master of ceremonies, it will occupy a half-hour spot on Sunday afternoons.

Fifty-four NBC Red network stations are to carry Mickey. Newspaper, magazine, and an increased amount of comic section space will continue.

## Anyway, Double

William Wrigley Jr. Co., Chicago, started a new Sunday night series over 64 CBS stations on December 26. Frances Hooper agency, same city, is the agency.

At first titled "Double or Nothing," according to press releases, the program features double talk, a double quartet, vocal duets, and a two-piano team. On second thought, the name was changed to "Double Everything." It's still a coast-to-coast hook-up.

## Air Express Expands

Air Express division of Railway Express Agency widens its advertising coverage and changes the copy theme for 1938. Industrial firms are the largest users of this fast delivery service, so about 20 trade papers—advertising, publishing, printing, department stores, electrical, motor, and



By Bell System CONFERENCE TELEPHONE SERVICE this Cincinnati branch office superintendent is talking to the Chicago headquarters (on page 43) and a Memphis distributor (on page 60), exactly as if they were all seated around the same table. Conference Telephone Service gets busy executives together quickly and conveniently—saves miles, minutes and money—sets sales-campaigns going. Try it. Just ask Long Distance for the Conference operator.

SEE PAGES 43, 60





movies—will carry the ads. *Time* is also on the schedule.

Copy, prepared by the Caples Co., New York, has heretofore been institutional. Now it will point out specific instances where Air Express shipments have saved time and money for the purchasing agent, and have speeded turnover and sliced overhead for the dealer.



"Who? Me?" "Yes, you."

### In the Dog House

Otto Soglow, cartoonist who is drawing the Martin's V V O whisky series for McKesson & Robbins' liquor division, shows his "Dog House Certificate" to Mrs. Erma Perham Proetz, executive v.-p. of Gardner ad agency. The certificate, concocted by Gardner, is a promotion novelty awarded to men who have been in the canine residence for any of these reasons:

Spilling ashes on the rug; staying out all night without notifying wife; laughing at his own jokes; not always serving Martin's V V O to his guests; audible soup guzzling; going to bed before guests go home; chronic failure to keep appointments with wife; general disorderliness.

### Influencing Prospects

Ediphone division of Thomas A. Edison, Inc., Orange, N. J., feels that Dale Carnegie is pretty nearly as good as his ballyhoo.

Friendly Influencer Carnegie prepared a booklet for the dictating machine maker called "How to Win People to Your Ideas." It was part of a direct mail campaign, under direction of Green-Brodie agency, N. Y., aimed at top-flight (and wary) executives. Up to the present 15% of the entire Ediphone mailing list has requested a copy of the booklet, says Arthur Walsh, v.-p. of Thomas A. Edison Industries.

"This is not the first time that an offer of a booklet by a man known and respected by business men has been welcomed," he adds. "The Carnegie booklet is the third of a series begun in 1935. They were each written by recognized authorities on business technique and personal accomplishment. The messages were general, not in any sense Ediphone testimonials."

Walter B. ("Life Begins at 40") Pitkin wrote the first, which brought requests from 6% of the list to whom it was offered. Prof. Harry L. Hollingsworth of Columbia University, authority on applied psychology, composed the second, which pulled a 9% return.

All request cards are turned over to Ediphone salesmen, who deliver the booklet personally to the executive. Representatives thus have a chance to look over the office set-up, meet their prospects under favorable circumstances, and when possible start an informal chat about the book. Each man is familiar with the booklet's contents, can discuss it intelligently, and work its message around to the prospect's business problems.

After giving Mr. Prospect time for reading, the salesman calls again, asks how he liked Carnegie's booklet,

whether he'd be interested in similar material by other well-known men, etc. Then the salesman shifts into selling. Entirely separate from the booklet's message is Ediphone advertising copy.

"These booklets serve another purpose, too," says Mr. Walsh, "They help to lift the Ediphone out of the class of office equipment used by subordinates—typewriters, computing and addressing machines. Ediphone's sponsorship of booklets on executive accomplishments build the idea that Ediphone is an executive tool.

"We have evidence to support our belief that such an offer as the Dale Carnegie booklet establishes good will for the Ediphone, gets our salesmen in with something the prospect wants. Our sales figures show that the prospect is influenced thereby in Ediphone's favor."

### Shell 5-Reeler

Shell Oil announces that cameras are ready to grind on its 1938 dealer education film epic. It will be five reels in length.

Wilding Picture Productions, Inc., Detroit and Hollywood, is in the director's seat. The St. Louis office of J. Walter Thompson agency will supervise script and actual shooting.

**THE MAJOR  
ADVERTISING  
MEDIUM IN**

**300,000  
MICHIGAN  
HOMES**

**In  
Grand Rapids  
It's the Press**

Michigan's second largest city is covered at one-paper cost, by the Grand Rapids Press. See that this major market is on your "A" schedules. For further information, write or call I. A. Klein, 50 East 42nd Street, New York, or John E. Lutz, 435 N. Michigan Avenue, Chicago.

**BOOTH  
Michigan  
NEWSPAPERS**

"Your Michigan Market Outside of Detroit"

Grand Rapids Press  
Flint Journal  
Saginaw News  
Jackson Citizen Patriot  
Kalamazoo Gazette  
Muskegon Chronicle  
Bay City Times  
Ann Arbor News



This manufacturer of women's coats is demonstrating that sales ideas need be neither expensive nor elaborate in order to be effective in meeting the perennial problem of finding a way to lift one line of merchandise above its competition in the dealers' stocks.



## Little Ideas That Are Winning Preferential "Push" for Our Line Among Retailers

**H**OW can we get retailers to give preferential treatment to our merchandise? We asked ourselves that question three years ago, and set about finding an answer to it.

Our line of ready-to-wear coats, sold under the brand name "Mary-Lane," was, we thought, deserving of preferential treatment by dealers. These coats were of high standards of quality and workmanship and were designed to appeal to the average woman. The sales problem was to get the dealers actively interested in *pushing* Mary-Lanes in preference to competing merchandise.

### Help for Retail Salespeople

Two plans, both very simple, have gone far toward solving this problem for us. First we sought the good will and cooperation of the dealer's salespeople and endeavored to get them to show Mary-Lanes *first* when serving a customer. We adopted a series of distinctive tags for our garments, and started a little house organ called "Smart Lines." The tags readily enable the salesperson to select Mary-Lane coats from among others on the rack, and they provided definite information about the merchandise which could be used in the sales talk.

Second step was the development of a promotion service for the dealer, the purpose of which was to feed him a continuous stream of ideas and to keep him thinking about Mary-Lane coats. This included a mat service, special showings at various market events, suggestions for special promotions, and use by the company salesmen of a portfolio presenting special helps.

That these simple ideas were effective

As told to Kenneth Force

**BY HYMAN BRAND**

*Brand & Puritz  
Kansas City, Mo.*

tive in meeting our major problem is revealed by the fact that we have enjoyed a 40% increase in sales since the plan went into effect. Inasmuch as department store sales for the country generally showed only a relatively small improvement in this same period, our sales record points directly to preferential sales treatment of the line. The ratio of the company's increase in the first two years is being maintained this year.

Consider for a moment the simplicity of the tag idea. The tag not only helps the woman who is going to sell the coat—the woman who buys it carries home a sales reminder. We took each garment to pieces and told its inside story, via the tag, in brief phrases that can easily be picked up and used in the selling talk. One of the tags contains the Texurity Guild seal, indicating that the cloth in the garment is texurized. Workmanship, style, quality of fabrics and furs are stressed.

In addition to the selling tag there are lining labels—guaranteed linings are impressive talking points—and size tags large enough to enable the salesperson to tell at a glance the exact sizes in which each garment is made.

The house organ, "Smart Lines," was designed to interest those engaged in selling ready-to-wear, with particular emphasis on coats. This has proved, probably, to be the most important single item in creating prefer-

ential sales treatment for Mary-Lanes. Published several times during the season, it is mailed direct to the home addresses of retail salespersons. Lists are obtained from the store buyer. There is, however, no attempt to force the retailer to cooperate. The mailing list is kept up-to-date by our own salesmen who submit revised lists at the beginning of each selling season, and, in some instances, by the merchants themselves.

"Smart Lines" gives the salesperson enough factual information so that she has something intelligent to say to almost any customer. It contains advance notes of fashion trends, presented so that a clerk can pick up phrases and facts for immediate use. The salesgirls are encouraged to help sell items in other departments, too.

### Dealers Are Appreciative

The March, 1937, issue, for instance, contained a page of brightly written brief paragraphs highlighting Spring fashions in petticoats, handkerchiefs, neckwear, colored straws, etc. It offered a suggestion for seeking business from Spring brides, persuading them to build a wardrobe with a suit and coat as the foundations. Of course quality and workmanship of Mary-Lanes are stressed in almost every issue. And it always makes use of seasonal appeals—vacations—football season—and so on.

Prior to the time we offered dealers a mat service, there was practically no advertising of our line by retailers. This changed immediately—the first year. This year, so far, advertising by them has been double the amount done last year.

We try to put into the mats material that will bring out every feature of a coat, weaving into the advertising the story of the workmanship that goes into our product. Frankly, we didn't know whether knowledge that our garments had deep hems, wide seams, guaranteed linings, etc., would have a strong appeal. But dealers immediately began to use this material, hence



we elaborated the service in that direction.

The fact is, we believe, that appeal of this sort arises from the heightened shrewdness and intelligence of modern women's buying. General magazines, consumer groups, and related activities have made the shopper more critical, have given her a higher set of standards by which to judge fabrics, workmanship, style, etc.

For the mat service we select the leading models of the season. We insist on good art work and descriptions that are accurate and factual.

The sales portfolio was the first tool of its kind we ever used. This turned out to be highly effective in getting new salesmen into production quickly and in opening new territories. In the portfolio we show style trends of the season and dramatize the qualities of our coats. More important, we include samples of "Smart Lines," a page of the labels, another of advertising which dealers have used—all of it concrete evidence of the things the company is doing to maintain preferential sales effort. Also included are proofs of mats; customer folders on which we will imprint the dealer's name; a page of "Beneath the Facing," which is more about workmanship, and actual photos of outstanding coats shown on living models. The last overcomes any possible feeling that faults of design and appearance can be corrected in a drawing.

Our experience shows conclusively that both dealers and their salespeople are hungry for practical selling ideas and that plans for disseminating such ideas need not be overly elaborate or prohibitively expensive.

### Industrafilm to New York

Industrafilm, Inc., producers of business motion pictures, with production headquarters at 8634 Sunset Boulevard, Hollywood, opens a sales and service office at 45 Rockefeller Plaza, New York. Gordon Knox and Dean McWethy head the firm.

### Fairbanks-Morse Appoints:

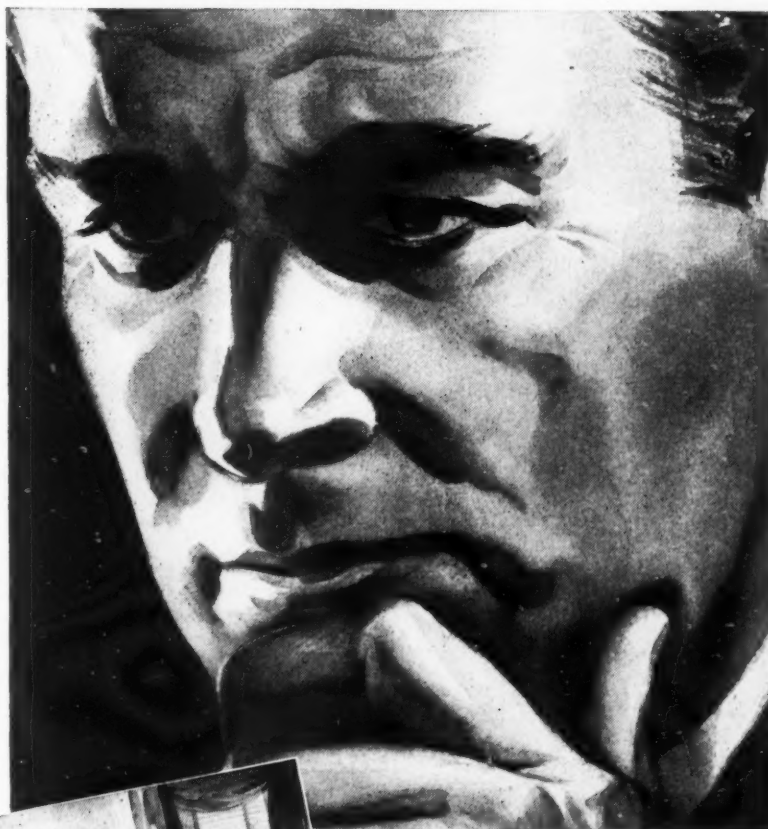
Fairbanks-Morse home appliance division of Fairbanks, Morse & Co., Indianapolis, has appointed Joseph C. Lewis manager of the home laundry equipment division. He was formerly general manager of Horton Manufacturing Co., Fort Wayne. For 15 years prior to that position he was engaged in management and engineering work with management engineering companies.

### Apologies to True Story

In the December 1 issue, under "Advertising Campaigns" appeared an item about the California Canning Peach Industry Board. The list of magazines to be used by the Board did not, through error, include *True Story*. Our regrets to *TS* are hereby extended.

JANUARY 1, 1938

## *Hard-to-please?* THEN YOU'LL ENJOY THE NEW FEATURES OF THE WILLIAM PENN!



Discriminating travelers have always rated the William Penn Hotel in the first flight of this country's finest. And now we've just put nearly a million dollars into making it even better. New appointments, new equipment, for your better enjoyment and service.

There's the magnificent new Italian Terrace, for instance. It's one of the finest restaurants ever built... and what food is served there! And 800

newly furnished and redecorated guest rooms... try to match their luxurious restfulness anywhere! And half a hundred other improvements, all going to make the William Penn more pleasant than ever • The next time stop at the William Penn... see how much more you'll enjoy your visit to Pittsburgh.

### NEW FEATURES OF THE WILLIAM PENN

Newly decorated and refurbished guestrooms • New Italian Terrace • Tub and shower in every room • Modern eye-saving lighting • Studio bedrooms • Entire floor of convention facilities • Rates from \$3.50 a day







## MEDIA AND AGENCIES

Media Promotions, Statistics, Bright Spots and Shifting Personnel . . . Headlines of the Advertising World

### Style Seeps Downward

Read *Vogue's* statistics of consistent growth in circulation and advertising, and you are still miles away from knowing the scope and the influence of *Vogue*.

Since the Gay Nineties, when the magazine was established as a sort of exclusive house organ for the rich, knowing, compact—and impenetrable—"400," *Vogue* has reached the masses through its acceptance by the leaders.

What the "400" did then, the millions followed.

Condé Nast,  
Publisher of  
*Vogue*



What the leaders do—and wear—today, the millions use and wear.

Although *Vogue's* circulation has increased about 1,200 per cent since 1909, when a young advertising salesman by the name of Condé Nast became its publisher, and now totals more than 200,000, it is still, definitely, a "class" publication.

It is still an increasingly prosperous "victim" of Condé Nast's "conspiracy."

Mr. Nast once said that to have a genuine—and genuinely potent—class publication, there must be a "conspiracy" among the publisher, the editor, advertising manager and circulation manager, "to keep the right people in, and to keep the others out."

*Vogue* represents one of the three basic human necessities and industries—clothing. Clothes, cosmetics and other articles of personal covering and glorification mean "style." And it was Condé Nast who first realized that because "style percolates downward," the way to sell the nation's millions is to sell the minority who set the fashion pace.

The masses are quick to learn what the inner circle reached by the "conspiracy" are doing, and adopting. What the Colonel's Lady wears today, Rosie O'Grady will wear—modified by her purse and temperament—tomorrow.

However, this being a dissertation on human covering one may as well start with some bare statistics.

Take circulation: *Vogue's* total per issue sale rose from an average of 16,853 in 1909 to 176,587 in 1936. In the first six months of 1937 it averaged 206,662. Some total circulation milestones between were 110,738 in 1915; 136,941 in 1920; 133,601 in 1925; 130,933 in 1930.

Newsstand — or go-and-get-it-every issue

—sales are perhaps a better indication of publication virility than subscription or total circulation. *Vogue's* record has been notably good in this. In the 29 years since 1909, inclusive, its newsstand sale has been less than that of the preceding year in only three—1918, 1920 and 1932. 1918 was the war year when nearly everyone had to wear olive drab anyway. 1920 and 1932 both were at depression bottoms.

The newsstand curve, beginning at 7,867 in 1909 has risen to more than 70,000 for the first six months of 1937.

Despite this growth, *Vogue* continues to be edited for the alert, responsive and responsible leaders in style. The only difference, Mr. Nast believes, is that New York's "400" has been broadened to include other leaders, not only in New York but in other cities of the country. Chicago, Boston, Detroit, San Francisco and other cities have done their bit to stretch—if not to break—the "400's" iron ring.

The desire for "gracious living" has

Mrs. Edna Woolman Chase, editor-in-chief of the American, British and French *Vogues*



broadened too. So have the means of gratifying it.

Price has been a factor in maintaining "class." *Vogue* sells in this country for 35 cents a copy, \$5 a year (of 24 issues.) This is several times as much as the price of most of the "mass" women's magazines.

But more important has been the planned and persistent editorial "conspiracy" to win readers who dare to do the "right" thing first. In Mrs. Edna Woolman Chase, editor of *Vogue* for 25 years, Mr. Nast has a style authority under whom many another of today's style authorities has studied. Dr. M. F. Agha, art director, is outstanding in his field. *Vogue* was doing a job of "pictorial reporting" long before magazine illustration generally meant anything more than pretty pictures, and long before the picture magazine flood burst upon us.

Because Paris continues to originate the most "authentic" and widely-followed styles, *Vogue* reports Paris. Twenty-three years ago Mr. Nast went to London and started an English *Vogue*. Nineteen years ago he went to Paris and started a French *Vogue*. Each of the three is entirely distinct from the others, and indigenous to its country. Combined they circulate into every corner of the world. Condé Nast Publications' research department has counted 92 "Vogue" countries for us—including British North Borneo, Ceylon, Ecuador, Estonia, the Fiji Islands, Iraq, Korea, New

Zealand, Manchukuo, Palestine, Tahiti and the Virgin Islands.

The French and English *Vogues*, of course, tell the American *Vogue* what happens to be what at the moment in their countries. Thus, our *Vogue* does not have to send a flock of editors and reporters over to cover "Paris openings." *Vogue's* own organization there already is on the job, covering the stories as thoroughly and filing them as quickly and systematically as the AP bureau covers Washington.

Advertisers have long been sold on *Vogue's* philosophy and service. Every year since 1909, and perhaps even before, *Vogue* has led all women's magazines in lineage. Sometimes the runner-up has been *Ladies' Home Journal*, sometimes *Harper's Bazaar*, but always *Vogue* has been first.

Starting with 449,865 in 1909, its growth was consistent, to 946,126, in 1913, eased off a bit, then passed the 1,000,000-line mark in 1916. In 14 of the 29 years *Vogue* has carried more than 1,000,000 lines. There have been "recessions," with general business, but the magazine has bounced out of them. Its "low" of the '30's came in 1933, with 606,060 lines. Since then the record has been: 1934—860,571; 1935—926,688; 1936—1,047,915; 1937—1,142,320.

Among examples of advertiser consistency, *Vogue* points to Elizabeth Arden, Bergdorf Goodman and James McCutcheon, who have used the magazine every year since 1910, and Bonwit Teller and Stein & Blaine who have been "in" every year since 1911.

In the course of a year, it has been estimated that more than one billion "impressions" of newspaper advertisements in the United States have featured "*Vogue*" merchandise. Advertising Checking Bureau found that in a single recent month there were 2,112 newspaper ads featuring *Vogue* merchandise exclusively, and 2,809 ads otherwise mentioned such products. Some

Dr. M. F. Agha,  
*Vogue's*  
art director



880 stores in that month mentioned *Vogue* in their advertising. The magazine's "impressions" for that month totaled 185,958,504.

"As Seen in *Vogue*" means a lot on Main Street, as well as Fifth Avenue.

### Farm Journal "Sells" Its Rate Increase

*Farm Journal* sent out an announcement of a rate increase effective with the September, 1938, issue, whereby black and white full pages are increased from \$2,850 to \$3,100, with other space increased proportionately. What gives the announcement real news value is not the rate increase, but the method used to sell the increase to advertisers and agencies. Accompanying the rate card itself is a four-page letter-folder which translates the rates of *Farm Journal* and five other farm magazines in terms of families reached per \$1. Comparisons are made for six units of space and not in every comparison does *Farm Journal* come

SALES MANAGEMENT

out on top. In number of families reached per \$1 it leads in black and white pages, back cover pages, and inside four-color covers; is second in black and one color pages, third in black and white two-columns, and third in black and white single columns. (EDITOR'S NOTE: A limited survey among buyers of space indicates that they are somewhat suspicious of publications which stand first in everything; that it is smart for a publisher to show his medium below the top in some classifications.)

### Good Year for Esquire

For the nine months ending December 31, 1937, *Esquire* showed a net profit of \$2,937,301, as against \$2,116,858 for the same period of 1936, a gain of 38.8%. A second quarterly dividend of 30 cents goes to stockholders and a bonus of 10% of annual salaries to all employees. At the same time, the publishers announce that the new publication *Ken* is well under way and active presentations are now being made under John K. Herbert, eastern advertising manager, with publication set for March 31. The new list of executive advertising officials follows: A. M. Dingwall, business manager of *Esquire* and *Ken*; Alfred R. Pastel, western advertising director, *Esquire* and *Ken*; George Theodore Sweetser, eastern advertising manager of *Esquire*; W. T. Long, associate eastern advertising manager of *Esquire*; Elkin S. Kaufman, promotion manager of *Esquire*; and Mr. Herbert.

### Time Pays \$6

On December 20 the directors of Time, Inc., made known their decision to distribute no more payments to stockholders in 1937, "after reviewing the record of dividend payments . . . in recent years and considering the fact that the company has already paid dividends of \$6 so far this year."

### Picture, a Pre-Tested Magazine

The publishers of *Picture* conducted a November test campaign in Lansing, Mich.; Yonkers, N. Y.; Hartford, New Haven, Bridgeport and Stamford, Conn.; and Chester, Pa., to find out what might be expected in the amount of circulation, to test the "stopping" power of various cover colors, and also of the type of illustration on the cover. The results indicate an initial circulation of about 1,000,000 copies; red and white make the best color stopper, with blue and white next; and human interest pictures, notably of people using strange "objects," make more people stop and look



C. W. Fuller, above ("Chub" to most people), has been appointed advertising manager of the Street & Smith Publications. For four years previous to this appointment Mr. Fuller was advertising director of the Fawcett Publications.

than any other kind of illustration. The tests were made without any advance advertising or publicity, and the only promotion, besides display of the magazine itself, was newsstand posters, reproductions of the cover which carried a "just out" overprint.

### Launch Car Card Guides To Radio Programs

In a letter to large users of radio, F. R. Barnard introduces a radio guide to be posted in street cars. The idea is to tie up in the minds of the consumers the names and packages of products, in which they may not be especially interested, with radio programs in which they are very much interested. This is done by cards seven inches wide. The upper part of the cards are printed in full color and shows the star of the advertiser's radio program with an illustration of the product; the lower part shows the local station and time, with

the station letters in red, and the rest in black. Distribution is in 50 leading cities with a guaranteed total daily circulation of 10,000,000 riders.

### McGraw-Hill Selects Three New Vice-Presidents

M. A. Williamson, N. O. Wynkoop and A. W. Morrison have been elected vice-presidents of the McGraw-Hill Publishing Co. Mr. Williamson is publishing director of *Chemical and Metallurgical Engineering* and *Food Industries*, Mr. Wynkoop is in charge of publishing activities on *Power* and *Mill Supplies*, and Mr. Morrison directs all circulation activities of the company.

### News in the Radio World

November billings for NBC were up 2.5% over November, 1936, and 1.2%

In the South... it's  
**TEXAS**



With business throughout the nation 22% below normal, HOUSTON IS 8% ABOVE NORMAL, according to figures compiled by Brooke, Smith & French, Inc., for the period ending November 30th . . . You can SELL in Houston . . . PROFITABLY!

## THE HOUSTON CHRONICLE

LEADS THE STATE IN NATIONAL ADVERTISING  
FIRST IN HOUSTON—IN EVERYTHING

R. W. MCCARTHY  
Manager National Advertising

THE BRANHAM COMPANY  
National Representatives



over October; usually there is a drop in November; 11-month billings are up 13.5%. Increases for CBS, 9.2% in November, 1937, over the same month of 1936, and cumulative billings 25.1%; for Mutual, 1.2% over 1936 for November, and a decrease in cumulative billings of 2.5%.

On January 3, when KTSM, El Paso, joins NBC, the network will establish a new supplementary group to be known as the South Mountain group. NBC announces, incidentally, that it has added 41 stations to its networks since January 1, 1937. . . . Transamerican Broadcasting and Television Corp., New York, Chicago and Hollywood, has been made exclusive national sales representatives of the two Crosley stations, WLW and WSAI.

## Media Notes

The Magazine Committee of the Association of National Advertisers has released a circulation and subscription production analysis of *Fortune*, *Newsweek*, *Life* and *Look*. . . . A survey among hundreds of college newspapers, made by National Advertising Service, Inc., college newspaper representatives, New York, shows that 101 college newspapers accept beer advertising, and they cite the pictures taken by *Life* for their "Life Goes to a Party," published last Summer, as evidence that beer drinking is "in" as an extra activity. . . . A good many studies on beer drinking are being made these days, among them being one by Ross Federal Service for Glass Container Corp.; a study of the Bayonne and Hoboken (N. J.) markets by O'Melia Outdoor Advertising Co., Jersey City, N. J.; and periodic surveys by the American Can Co. (See SM for December 15).

## "Chem & Met" Makes Its Biennial Industrial Award

Every two years *Chemical & Metallurgical Engineering*, a McGraw-Hill publication, honors a company in the field the magazine covers. The award for "the most meritorious contribution to the advance of the chemical industry and profession" was presented, December 10, 1937, to the Monsanto Chemical Co. whose achievements during the past two years were rated at the top by an industry committee of five. Monsanto developed methods for the large-scale production and utilization of elemental phosphorus so that phosphorus is now safely shipped in tank cars from the Tennessee Valley for conversion into phosphates for food, medicinal and industrial uses. Its ingenuity converted a patch of Tennessee pasture into an efficient electro-chemical industry—today the world's largest producer of elemental phosphorus.

The award was made during the Sixteenth National Exposition of the Chemical Industries in New York—attended by about 50,000 men—and was broadcast over NBC air from a dinner at which the toastmaster was Sidney D. Kirkpatrick, editor of *Chemical & Metallurgical Engineering*. The presentation was made to Edgar Monsanto Queeny, president of the company, by Dr. Martin Hill Ittner, chairman of the committee of award.

## Personnel Notes

John W. Giesen, who has been manager of the Retail Stores Division of the Hearst International Advertising Service, becomes associate advertising director of the Boston *Evening American* and *Sunday Advertiser*.

Godfrey Hammond, for nine years vice-president and general manager of the

*Christian Herald* and formerly with the Popular Science Publishing Co., returns to the latter company as executive vice-president of *Popular Science Monthly* and *Outdoor Life*.

Irwin Maier has been appointed sales manager of the *Milwaukee Journal*. He will be succeeded as advertising manager by Robert K. Drew, and C. R. Conlee has been appointed promotion and research manager.

Keith Kimball, for ten years with BBDO, has been appointed to succeed Bernard Barnes as promotion manager of *Fortune*.

Frederick L. Maguire, formerly with the Hearst organization, has been appointed advertising director of the *American Legion Magazine*. . . . John C. Evans, also formerly of Hearst, has been appointed promotion manager of the *Investment Dealers Digest*. . . . John S. Grier has been promoted to advertising director of *Liquor Store & Dispenser*, New York. . . . Bennett H. Horchler, formerly with the McGraw-Hill Co. and the ABP, has been appointed advertising manager of the *Ice Cream Trade Journal*.

Herman A. DeVry, Inc., Chicago, "having enjoyed one of the biggest sales years in its 25 years of existence," is enlarging its sales and advertising staffs, and among the additions is John K. Crippen, who has been made assistant advertising manager.

The Gugler Lithographic Co., Milwaukee, has become associated with the Latham Litho Co. of Long Island as exclusive sales agents. LeRoy Latham and A. E. Davis will continue their operations in the East.

J. E. Coombes, formerly with Procter & Gamble in their advertising department, has joined the Chicago staff of J. P. McKinney & Son, representatives for the Gannett newspapers. He replaces J. D. Hogue, who recently resigned to become general manager of the *Utica Observer-Dispatch and Press*. . . . Laurence A. Weaver, until today of Hearst Magazines, Inc., has joined forces with H. F. Cogill to form the firm of Cogill & Weaver, special representatives, with headquarters in Atlanta.

## Agency Notes

R. L. Hurst, with Lord & Thomas, Chicago, for the last two years, has become a partner in Charles Daniel Frey Co., Chicago, which has just been appointed to handle the advertising of Blatz Brewing Co., Milwaukee. . . . Fred Smith, former publicity director of BBDO, has been appointed to a similar position of J. Stirling Getchell, Inc. . . . D. E. Robinson, director of research and personnel of the Federal Advertising Agency, New York, has been appointed general manager.

Agency appointments of the fortnight include Sardik Food Products Corp., New York; Peak Frean English biscuits and Westfield Manufacturing Co., Westfield, Mass., to Charles W. Hoyt Co., Inc. . . . E. C. Atkins & Co., Indianapolis, to Evans Associates, Inc. . . . National Sausage Casings Dealers Assn., New York; Pleasantaire Corp., Washington, D. C.; and Molinard, Inc., New York, to Chester H. McCall, Inc. . . . Firth Carpet Co. to Fuller & Smith & Ross, New York.

Other appointments are Davol Rubber Co., Providence, to Federal Advertising Agency, Inc., New York. . . . De Mornay, Ltd., New York, to Stuart, Ames & James, Inc., New York. . . . Cream Top Bottle Corp. to Frank Presbrey Co. . . . American Seating Co., Grand Rapids, to Roche, Williams & Cunningham, Chicago. . . . Worthington Mower Co., Stroudsburg, Pa., to Calkins & Holden, New York.

## "Experience" in 56 Countries Puts Shell Across in Canada

(Continued from page 17)

was used throughout.

A Rochester man got one set for the dormitory room of one of his sons at Peddie School, Hightstown, N. J., another for his nephew, at Exeter, N. H., a third for himself.

The "public" of several nations also has made suggestions for future posters—one, for example, devoted to the homes of people in many lands.

In the Province of Quebec, where both English and French are spoken, the poster and newspaper legends appear in both languages.

One part of the program this year, also written in French and English, was a series of six post cards sent to every Shell of Canada dealer and to all the best customers of each dealer—from 50 to 200 for each, the dealer furnishing the company his list. Each person received the complete set.

The cards were mailed by Shell representatives in England, France, Japan, Iraq, Morocco and the Philippines. Each showed a "land-mark" or scene from that country. The one from London, originally intended to show the Parliament buildings and Westminster bridge, was changed to reproduce the Coronation procession of last May.

## Flattering Personal Touch

To increase interest and discussion, Shell sent the whole series each month—one motorist receiving a card different from his neighbor's. Each card was hand-written and mentioned the individual dealer's station. Recipients were asked to drop in at the station to let the dealer know he was getting them.

In towns too small to support a newspaper or an outdoor poster plant, Shell presents free tent shows of the "world experience for high quality" story. Each show is a complete movie entertainment bill—90 minutes—including a 30-minute presentation called "Atlantic Flight" and a picture of how Shell oil is made.

The entire promotional campaign was worked out by C. W. Chamberlin, advertising and sales promotional manager, other executives of Shell Oil Co. of Canada, Ltd., and the Baker Advertising Agency in cooperation with Porter F. Leach of the sales engineering firm of Ryan, Leach & Goode of New York and Chicago.

SALES MANAGEMENT





## St. Louis

Harold D. Duffy, sales manager, S. G. Adams Stamp and Stationery Co., has been elected president of the Sales Managers Bureau of the St. Louis Chamber of Commerce. Mr. Duffy, formerly a vice-president of the organization, was chosen unanimously by the executive board of the bureau to succeed Charles E. Osterkamp, assistant manager, Roberts-Johnson-Rand Branch of International Shoe Co. Other officers elected to serve for the 1938 term are: First vice-president, Allen E. Richardson, sales manager, Simmons Hardware Co.; second vice-president, Henry J. Reinhardt, vice-president, Frank Adam Electric Co.; and treasurer, J. S. Jones, Ralston-Purina Co.



Harold D. Duffy, new president of the Sales Managers Bureau of the St. Louis Chamber of Commerce.

## San Francisco

A. H. Meyer, president, San Francisco Better Business Bureau, and president, Leo J. Meyberg Co., spoke before the San Francisco Advertising Club last month on "Can Business Regulate Itself?" Following the talk the members of the Advertising Club enacted a short skit entitled "How to Get Off the Sucker List," written by Mrs. M. Tsvetkoff, manager of the local Better Business Bureau.

## Philadelphia

Members of the Sales Managers' Association of Philadelphia recently heard Elmer Wheeler, president, Tested Selling Institute, speak on "Tested Sentences that Sell."

## Chicago

The Chicago Sales Executives Club held its Christmas stag dinner on December 16 in the Florentine Room of the Congress Hotel.

## Rochester

Warren S. Parks, manager, Equitable Life Assurance Society, led a discussion on "How to Get Salesmen" at the December 17 meeting of the Sales Managers Club of the Rochester Chamber of Commerce. Entering into the discussion with four-

minute talks each were Earl Freese, Robeson Rochester Corp.; Frank J. Shannon, Shannon Supply Co., and Warner Spencer, Rae Oil Co.

## Providence

"What Makes the Wheels Go 'Round'" was the subject of the talk by Vincent B. Coffin, second vice-president and superintendent of agencies, Connecticut Mutual Life Insurance Co., before a recent meeting of the Sales Managers Club of the Providence Chamber of Commerce.

## New York

At the annual meeting of the directors of the Exhibitors Advisory Council, Inc., held early in December in New York, the following officers were elected to serve dur-

ing 1938: President, L. W. Shugg, division manager, publicity department, General Electric Co.; vice-president, S. A. Knisely, director of advertising, Republic Steel Corp.; secretary, E. A. Phoenix, assistant sales promotion manager, Johns-Manville Corp.; and treasurer, R. H. DeMott, general sales manager, SKF Industries, Inc.

The Council also announces the 1938 edition of the "Show Schedule," which includes all important industrial, trade, commercial, professional, etc., shows scheduled for the coming year.

\* \* \*

The Sales Executives Club of New York celebrated the holiday season with its sixth annual Christmas party at noon on Tuesday, December 21, in the Belvedere Room of the Hotel Astor.



## CUT SALESMEN'S MILEAGE COSTS to 3 1/3c. or less

Our leasing cost is considerably lower than your present cost price of a new car and includes complete maintenance.

### NO CAPITAL INVESTMENT

**WHAT IS OUR PLAN:** We lease nationally one or more Dodge, Plymouth and Chevrolet sedans or coaches at an annual rate so low that substantial savings are assured.

**WHAT OUR RATE INCLUDES:** A new car every 12 months. License plates in whatever states operated.

Fire, theft and collision insurance. We include all items of service, maintenance and repairs of every kind and description.

Chains and anti-freeze. Oil and grease. Tire repairs and replacements. Replacement of cars without any additional cost if destroyed by fire, collision or otherwise.

Purchase of your present equipment at fair appraisal value.

**COST** Per month

**ANALYSIS:** Plymouth or Chevrolet

Sedans or Coaches \$45.00

Dodges (slightly higher per month)

Rental cost per year based on

\$45.00 per month.....\$540.00

Based on 24,000 miles, the average

yearly mileage of salesmen and

18 miles per gallon or 1¢ per

mile for gas.....240.00

Average fleet cost Public Liability

and Property Damage insurance.. 30.00

\$810.00

This total of \$810.00 divided by 24,000 miles gives you a total operating cost of .0337 cents per mile. As mileage increases, your cost per mile decreases because our rate remains standard. At 30,000 miles

per year your cost would be .029 cents per mile.

Our rate includes every item of expense incident to the operation of cars, except gasoline and Public Liability and Property Damage insurance which we do not furnish. The cost of these two items has been approximated, as above, based on our past experience. By adding these costs to our leasing charge we set forth what your actual cost per year or per mile should be under our plan.

**WHY YOU SHOULD BE INTERESTED?** Salesmen relieved of all worries and

responsibilities prevalent with personally owned cars.

Corporations relieved of necessity of maintaining costly service garages.

**No capital investment.**

New cars every year, minimizing accidents. You can estimate accurately your car costs a year in advance.

Cars always have a creditable appearance.

Use of decalcomania permitted.

No restrictions on mileage or use of car at any time.

Fleet cost comparisons will be furnished upon receipt of information as to the present number of cars used by your company and how owned and operated. Such information will be treated by us as strictly confidential.

We guarantee 100 per cent transportation. Complete references supplied.

## The R. A. Company

Automobile Leasing Nationally  
G. J. EGAN, New York Manager  
Chanin Bldg., 122 East 42nd Street  
New York City - (Ashland 4-9653)  
ALSO PHILADELPHIA, PENNA.

# What About Proof that Taxes Are Strangling Business?

(Continued from page 15)

modern machinery, and a host of other things that we would like to do if we could spare the cash.

In times such as these we must remain liquid, and our cash reserve must be kept at a high level, for with business conditions as they are we must have a cushion upon which to lean if we contemplate, as we must at this time, a slackening off in our business. Had we the cash, we would push business and make it better, but we feel that "discretion is the better part of valor," so we are retrenching instead.

We do not feel that our position is any different from that of thousands of other concerns throughout the country, and we sincerely and honestly feel that the undistributed profits tax should either be repealed in its entirety, or revised at a basis permitting not less than 50% of the profits to be retained without any tax penalty.

**By H. W. RODEN**  
*President, Harold H. Clapp, Inc.,  
Rochester, N. Y.*

Starting as a very small firm, this company has succeeded in growing because of its willingness and desire to plow its earnings back into the company. In the last two years, since the enactment of the undistributed profits tax law, such a program has been materially handicapped.

For several years we have wanted and needed a new and larger plant. Such a program of expansion, in addition to its contribution to the building industry and labor, would have meant ultimately doubling the number of our employees.

Actually, we have gone through with such a program because of necessity, and when relief from this inequitable tax bill seemed impossible of achievement. But it has been done at considerable sacrifice and has of necessity been limited to actual immediate needs.

There is no question but that this present tax law is hampering all business, large or small.

**By C. D. GARRETSON**  
*President, Electric Hose & Rubber Co.,  
Wilmington, Del.*

While we have not held up any expansion of our own because of the undistributed profits tax, the tax has affected us in that other industries on whom we depend have held up their expansion. Still others have not bought lately as they are facing the necessity of paying out money to their stockholders—money they do not have in hand, but have invested—money they are endeavoring to liquidate before the end of the year so as to pay it out in cash.

This has given us a rather rough time.

**By L. O. CARLSON**  
*President, Erie Meter Systems, Inc.,  
Erie, Pa.*

I am sending you a letter which was written some weeks ago to our representatives in the Senate and the House. This letter outlines the reasons why we have found the undistributed profits and capital gains tax very oppressive. It is a fact that we definitely postponed a 70' x 200' addition to our plant, which of course

would also require necessary machinery for manufacturing.

In smaller businesses like ours, the profit and loss curve rises and falls more than the sales curve. If the peak is knocked off this curve by taxation there certainly will be nothing to cushion the fall on the dips.

Mr. Carlson's letter:

Our continued existence as a small manufacturer depends to a great degree on some relief from the very burdensome surplus profit and capital gains tax. We are appealing to you for your support on any bill that offers adequate relief.

To outline our position briefly, may I point out that we are gasoline pump manufacturers employing approximately 200 men, with plants in Erie, Pa., and Tulsa, Okla.

Sixty-five per cent of our business is derived from a half-dozen major oil companies. These companies are spasmodic buyers. In such years as they have an expansion program, our business and our profits are quite large. We have to depend on the surplus built up in these years to operate in such years as those during which the major oil companies have a retrenchment program. Frankly, we operated during 1931-2-3-4 on surplus built up in 1930. By doing so we prevented many families from going on relief.

This year the large oil companies have again bought heavily. Our profits will be abnormal. If spread over a number of years' operation, they would be only normal on our investment.

Therefore, under the present law our surplus profits tax will be very burdensome. A good portion of this profit is already absorbed in increased inventory and machinery. To pay the tax in accordance with the present law, we must borrow money from the bank. This, of course, would limit the credit which is very essential in business.

Incidentally, we had hoped to build a sizable addition this year for manufacturing our own steel stampings. By doing so, we could have employed more men. However, we had to postpone this undertaking as we realized our surplus cash would be required for tax purposes.

The welfare of the country, from a re-employment standpoint, and the welfare of smaller manufacturers, with limited capital, require immediate relief from the burden imposed by the present surplus profits and capital gains tax.

We ask your support on any revision that is substantial.

**By L. E. REID**  
*President, American Electric Co.,  
St. Joseph, Mo.*

The undistributed profits and capital gains tax has materially affected our business. We were just expanding, having put in a Kansas City house in addition to our St. Joseph and Wichita houses. On account of this expansion, we were borrowing money, but the profit tax broke into our plans so materially that we were forced to give up one of the specialties we were carrying and this necessitated laying off a number of salesmen and engineers. This tax works a great hardship on the

comparatively small business that is trying to expand.

The unjust part of it is the fact that a business may have a heavy loss in one year and a profit the next year that may be less than that previous loss. Yet the business has no claim for the year of loss.

**By K. W. ATKINS**  
*Vice-President, E. C. Atkins and Co.,  
Indianapolis*

This new and burdensome tax has resulted in the curtailment, if not the abandonment, of a plant modernization plan which we undertook two years ago. While we are not large, I believe we are typical of smaller industrial concerns in the Middle-west. We feel obligated to pay dividends when we would be better off if we conserved our funds for investment in new machinery and equipment.

But what about companies we can name who owe substantial amounts of money to banks, or are under other restrictions which prevent the distribution of dividends? They are forced to pay excessive taxes instead of paying off their obligations. And what about the thousands of concerns which find their surplus accounts nearly depleted as a result of operating losses resulting from the depression from which we were just beginning to emerge? How can a concern build its surplus to protect it against just such a business reversal as we are now experiencing, when it is encouraged, not to say forced, to distribute its net earnings in dividends.

The answer can be found in any typical operation. The management, fearing a surplus deficit beyond all else, drastically curtails its operations so as to conserve cash and protect, insofar as possible, its diminishing surplus account. Men are laid off, confidence is destroyed, the results of years of painstaking effort to build effective factory and selling organizations are disrupted, and doubt, disillusionment and despair are the order of the day.

However guilty we may be of failure to make friends of the Great American Public, Industry has, we feel, been sufficiently punished to expiate any crime.

**By E. G. GEREKE**  
*President, Gereke-Allen Carton Co.,  
St. Louis, Mo.*

May we explain our present situation with relation to the undistributed profits tax to show how helpless we are to go forward with plans for a new building (which we need badly), or, if not a new structure, then to move into larger quarters and take a lease.

In either instance we must assume a large indebtedness, and how can we go ahead with the program when we cannot set aside a reserve to take care of our obligations as they will come due?

We have been in business for 25 years and have steadily increased our standing in the community. We have taken interest in our employees and the majority of our men and women have been with us for many years. Our lease on our present location runs out in 1940 (we moved into it in 1916) and it is not now suited to our needs . . . we cannot, however, see our way to consider making any move when we cannot set aside funds to meet the payments without the severe penalty for withholding cash.

Our past policy has been to pay out earnings when any are made, in amounts consistent with safe business policy—as "rainy days" must be provided for or else—!

SALES MANAGEMENT



By W. H. SAUNDERS  
President, International Lubricant Corp.,  
New Orleans, La.

Our business is the manufacturing of automotive and industrial lubricants, and, while we are small, our fixed assets have increased about four times since our beginning eight years ago.

Most of our plant expansion has been paid for out of earnings. All of these expansions and changes were necessary for us to keep step with changing conditions and to meet the demands of our customers. Had an undistributed profits tax law been in effect since our beginning, we feel quite sure that we would never have been able to stay in business.

It seems to me that the undistributed profits tax works a terrible hardship on the small business with net earnings of from \$20,000 to \$60,000 a year, and particularly so when the business is a relatively new one.

Large corporations have in most instances been in business from 10 to 20 years and, of course, have accumulated large surplus accounts, and for this reason are in better position to be unaffected by the undistributed profits tax than are small companies which must necessarily lay aside a good portion of their surplus for future expansion and as insurance against poor business conditions. Large corporations can generally raise new capital through bond issues or the sale of common or preferred stock, whereas small companies find great difficulty in raising new capital through the sale of securities. These, of course, are facts with which every business man is familiar, but they seem to be facts that are overlooked by our law makers.

We are in favor of repeal of the undistributed profits tax law or its revision so as to exempt earnings up to \$60,000 in order that the small corporation may have a chance to expand and pay off its bank loans, which, as a rule, are rather heavy in proportion to its capital.

By B. G. DUER  
General Sales Manager,  
Decatur Pump Co.,  
Decatur, Ill.

We have found that existing laws regulating the tax on undistributed profits are hampering and eventually will prevent entirely any expansion in our business.

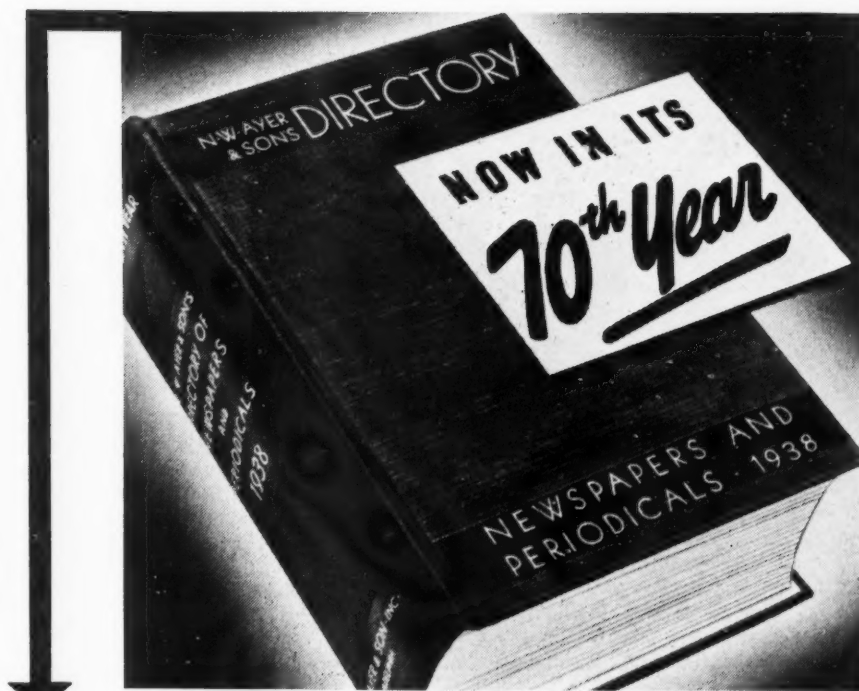
It is impossible to follow the old "tried and true" custom of returning profit to the business for the purpose of expanding manufacturing facilities and sales effort. This, we believe, is very detrimental to future growth.

We have already found it necessary to abandon plans that have been considered necessary to our future growth because of the regulation that forces us to distribute all profit or suffer an exorbitant tax.

By C. F. MILLER  
President and Treasurer,  
The American Gypsum Co.,  
Port Clinton, Ohio

We are heartily in favor of the repeal of the undistributed profits and capital gains tax because it interferes with progress.

This law, while it hurts the larger companies and interferes with their free conduct of business, is very harmful to the smaller companies and especially those who weathered the depression, but came through with much depleted reserves and plants which need modernizing and general overhauling. It also harms those companies that went into debt during the



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But this book is not valuable only for its publishing information! The partial list of contents shows why it is bought — year after year — by libraries, sales-managers, advertising agencies, business engineers, publishers, statisticians, etc. *The new 1938 edition is limited.* Order early! Price \$15, post-paid in U. S. and Canada.

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Latest census on manufactures; Statistics on agriculture, forests, etc.; Number of telephones, radios, motor vehicles; Railroads, Airports; Schools and Colleges.

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N. W. AYER & SON, Inc., Washington Square, Philadelphia

Please send me, FREE, your 24-page booklet containing sample pages, specimen index, examples of special lists, etc., from the 1938 edition of N. W. Ayer & Son's Directory of Newspapers and Periodicals.

Name \_\_\_\_\_

Business Name and Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

P. S. I am an old user of the Ayer Directory and I want the 1938 edition. I enclose \$ for \_\_\_\_\_ copies.



It's an important discussion for this Memphis distributor. He's getting information from Chicago headquarters on page 43 and the Cincinnati branch office on page 50, all on the same telephone connection, by Bell System CONFERENCE TELEPHONE SERVICE. SEE PAGES 43, 50

Conference calls are easy to make and inexpensive. Up to six telephones, any distance apart, can be connected at once. Just ask Long Distance for the Conference operator.



depression and who must first repay this debt and make improvements in their plants before they can again start to build up a surplus. Many companies in this class could not stand another depression, and they should be permitted to build up a reasonable surplus and modernize before they are compelled to pay undistributed profits or capital gains taxes.

We are one of the comparatively small firms which have suffered in the manner described above, and in our case we are greatly handicapped by this unreasonable law.

**By F. WHITE**  
*President, Howley-White Co., Inc., Boston*

The undistributed profits and capital gains tax, we believe, is hampering all manufacturers and particularly our specific business which must always be prepared for the "rainy day" and lean periods.

We operate a sales service for national manufacturers who pay us on a commission arrangement, but we must pay our employes on a definite substantial salary and expense arrangement. This means that we have a very definite administration and sales payroll every week regardless of what business conditions may be in our territory. We must keep our man-power in the field constantly to hold our accounts, regardless of business conditions throughout the years. Therefore, it is obvious that under these conditions, to keep our employes steadily employed during the lean periods, we certainly should and must have the opportunity to build up a surplus during good times.

It cannot be expected that business men should be interested in improving and enlarging their businesses if they have their profits taken from them during prosperity but have no redress during times of adversity.

**By H. L. KROPP**  
*Treasurer, Filmit Oil Corp., Milwaukee*

We are very much in favor of complete revision or repeal of the undistributed profits and capital gains taxes. We believe that these two taxes are the most unfair and unjust taxes that have ever been passed. There is an urgent need in our company for expansion in building and new equipment, but under existing tax conditions it is impossible for us to entertain any ideas of this nature. We honestly believe that taxes of this kind are extremely detrimental to the welfare of all American industries.

**By H. A. DORMEYER**  
*President, A. F. Dormeyer Mfg. Co., Chicago*

While I have felt that the present Administration has made some very conscientious and worthwhile efforts to relieve a situation that was unhealthy, I think somebody with little consideration for the consequences was the instigator of the undistributed profits tax.

This particular business was in the hands of a creditors' committee from 1932 until 1936. During the last four years we have made enough money to pay off the old creditors and to get ourselves on a basis where we are in a fairly good current position. During that period our capital stock impairment has been largely brought back to a sound basis, but we need to use every dollar of profits that has not been used to pay deferred creditors, to buy machinery that naturally became obsolete

**HE  
BEAT THE FIELD  
WITH  
AIR EXPRESS**

Keen competition—1300 miles from warehouse, and salesman closed the deal by guaranteeing overnight deliveries by AIR EXPRESS. Put this 3-mile-a-minute service to work for *your* business. Cost? Trivial, for sales prestige gained. Day and night, nation-wide; also to Canada, Latin-America, Honolulu and Far East. For service, phone any RAILWAY EXPRESS office—AIR EXPRESS Division.




TORONTO  
MONTREAL  
WINNIPEG  
MONTREAL, Que.

**GIBBONS KNOWS CANADA**

J. J. GIBBONS LIMITED • ADVERTISING AGENTS

REGINA  
CALGARY  
EDMONTON  
VANCOUVER

during the last seven or eight years, rather than to distribute our profits. It means we will have to remain stationary in our particular field, not only during 1938, but probably during 1939.

The only thing that will save us from stagnation, or possibly disaster is an immediate revision or repeal of this particular legislation.

**By S. L. COHN**

*Vice-President, Colonial Stove Co.,  
Philadelphia*

Sufficient time has elapsed, we believe, to judge the reaction of corporate industry as a whole to the undistributed profits and capital gains tax. Enough unfavorable reaction has set in to so materially disturb the regular flow of business that one would conclude it to be absolutely necessary at this time for government and industry to agree upon some changes to this law that will be satisfactory to both sides . . . and which, when enacted, will immediately release capital in industry for expansion and development projects.

Confidence must be established before business can "get going" and the rate of employment be stepped up.

**By E. W. MYERS**

*President, Snap-On Tools, Inc.,  
Kenosha, Wis.*

Although it is difficult to enumerate all of the harmful effects of the undistributed profits and capital gains tax, we list below some of the burdens it has imposed and will impose upon the operation of our business:

It will prevent retirement of debts and building of reserves.

It will complicate effort accurately to forecast and determine earnings and setting of prices on our product.

It will delay and prevent purchase of machinery and equipment to meet obsolescence.

It will necessitate increase in bank loans.

It will lessen management's ability to control the factors which make for stability of employment.

It particularly discriminates against companies whose financial condition was impaired during the depression and who have not had time to rehabilitate their position.

It is our opinion that this tax is not only impractical but imposes a very great burden upon labor and industry alike, and that it is a most serious deterrent to solution of the unemployment problem.

**By GEORGE B. GANNETT**

*President,  
Geo. D. Barnard Stationery Co.,  
St. Louis, Mo.*

We feel that the undistributed profits and capital gains taxes border too much on the lines of paternalism. Why provide for a rainy day—the government will take care of you! (??) Why should this concern or any other concern make a venture to increase its business for the utilization of additional capital when, if the results are favorable, a large percentage goes to the government; and if they are unfavorable, it is just too bad?

We are not contemplating any expansion, but when we feel it advisable to do so, unless we are assured that any expansion or additional efforts on our part would accrue to the stockholders of the company rather than to be largely dissipated in taxes, we would not proceed with our plans.

I feel safe in saying that this is the opinion of many executives in the City of St. Louis, as I have talked with a great number of them.

**By W. R. HAZLE**

*Vice-President,  
Moorman Manufacturing Co.,  
Quincy, Ill.*

Because of the undistributed profits tax we are being compelled to withhold considerable expenditures. We considered an expansion to our factory, considerable new equipment for our plant, and a complete air conditioning installation for our office, but all of these have been withheld because of the undistributed profits tax.

If that tax were revised, we see no reason why we shouldn't spend considerable money within the next year for such expenditures. We hope Congressmen and Senators will seriously consider how these taxes hold back expansion and new purchases, which undoubtedly result in curtailment of production and employment all over the country.

**By LYNN R. FAIRBANKS**

*Ex-Cel-Cis Beauty Products,  
Salt Lake City*

The undistributed profits tax . . . has interfered with our development work and also in the building program which we had anticipated carrying out in order to handle increased business. It has also put us in a position where we cannot protect ourselves against any misfortune by having a surplus on hand. . . .

**By D. ALVIN KIME**

*Vice-President,  
Standard Wall Covering Co. Inc.,  
Philadelphia, Pa.*

The undistributed profits tax has kept us from expanding our capacities. This direct statement tells more of a story than could be packed into 150 words phrased to say the same thing in a roundabout manner.

**By A. J. STERN**

*President, Western Chemical Co.,  
Kansas City, Mo.*

The tax program is such that we have been obliged to abandon, temporarily at least, the idea of building a new warehouse which we have needed for several years and which we now need more than ever. Likewise we have been forced to delay the installation of new complete heating and air conditioning equipment which we had hoped to install this Fall. Correction of the present tax abuses would permit us to go ahead with these two projects immediately.

**By A. J. WALKER**

*President,  
Farnham Stationery & School Supply Co.,  
Minneapolis, Minn.*

The undistributed profits and capital gains taxes impose a severe penalty upon our business when they compel us to distribute earnings to stockholders up to the point where our liquid capital assets are reduced to a level where we are handicapped, not only for sufficient funds to enlarge our business, but even to carry it on in an orderly manner.

Borrowed capital is justifiable to take

care of peak loads, or for modernization, as well as expansion. However, when we have to borrow money, which we would not have to obligate ourselves for were we permitted to retain a reasonable reserve or surplus, it not only becomes costly but also extremely hard to repay.

If under penalty of a severe tax we must distribute all of our earnings, then some plan should surely be devised whereby the business man can readjust his capital stock structure in keeping with business conditions, and without increasing the capital stock tax.

**By EARL THOMPSON**

*President, Reliable Packing Co.,  
Chicago*

If it had not been for the undistributed profits tax, we would have spent twice as much money for expansion and employment of our workers would have been much more uniform. We were fearful to retire any debt on account of having to anticipate bad years in the future with no reserves. Further, such uncertainty about the future did not seem to justify increasing bank indebtedness. We personally have not increased advertising, even though the Government would share in the expense, but we are contemplating doing so next year.

Here's an interesting letter from a New Jersey president who prefers not to be identified:

We are primarily interested in the capital gains tax, although the undistributed profits tax, too, is working considerable hardship on us as well as on other small manufacturers.

Some years ago, when we built our present factory, we purchased a substantial piece of ground on which to expand. Improved machinery and change in our general business have enabled us to produce considerably more goods in our present factory than we had at first expected, so that further building on our land has not been necessary.

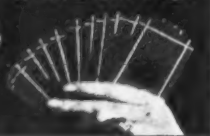
Although we were originally on the outskirts of the city, expansion has now practically walled us in—with considerable advance in taxes, particularly on the idle property. In fact, the real estate tax burden became so great, that we could not afford to hold the property idle. At first we rented it at a nominal sum to take care of the tax burden. At the expiration of the lease this year, we decided to sell the land with the new building on it, put up by our tenant. Our capital gain this year is, therefore, extremely large and we have practically nothing we could sell at a loss to apply against this gain. If we were an individual, the gain would be computed at 30% as the property was purchased over ten years ago; but as a corporation, we must report 100% of the gain and be taxed accordingly.

The Federal Government did not contribute in any way to the so-called profit we made and the mere fact that we have it is no reason why it should be taken away from us.

Incidentally, the money obtained in this transaction has been used to pay off obligations derived from expansion in our business, but now we must go to the bank—to obtain money to pay the tax when it falls due. If the banks should refuse to loan us, we have only one other alternative and that is to sell off more of our assets to pay this year's taxes, and then have the same situation all over again the following year.



## ADVERTISING PLAYING CARDS



**Follow through  
at conventions with a  
gift that goes home**

The benefits you derive from Conventions depend upon making contacts that you can turn into business.

Advertising Playing Cards make these contacts in the midst of convention confusion, prolong them during after-hour convention play and at home.



Write on your business stationery for interesting FREE booklet "The Winning Hand;" ways and means of increasing your business with playing cards.

Headquarters for  
Advertising  
Playing Cards

**BROWN & BIGELOW**

*Remembrance Advertising*  
SAINT PAUL, MINNESOTA  
Makers of Calendars and Advertising  
Specialties Since 1896

**EARLY IN 1938**  
 **THE NEW**

**EXECUTIVES  
CATALOG  
OF**

**HAGSTROM'S  
MAPS**

Will be Ready For  
Distribution

**LIMITED EDITION**

Reserve Your Copy NOW

**HAGSTROM CO., INC.,**  
20 Vesey St., New York, N. Y.

Place our name on list to receive FREE your  
"Executives Catalog" for 1938.

Firm.....

Address.....

City..... State.....

## Salesmen Never Catch a Cat-Nap at These Sales Meetings

This sales manager never worries over dull sales conferences, because the men are given absolute freedom of expression and each has his appointed task in making meetings constructive.

**B Y**

**W. L. ARSCOTT**

*Sales Manager,  
Pacific Coast Division  
E. R. Squibb & Sons*

**W**E never have a dead sales meeting. No meeting at all is preferable to a dead one, since any enthusiasm the men may have in themselves will be killed by the boredom of a meeting that gives them nothing in the way of inspiration. On the other hand, we steer clear of the synthetic "inspirational" stuff. Successful meetings will afford inspiration, but it will be *genuine*.

In our meetings, we aim at producing this genuine inspiration—not supplying it from the outside, but giving the men an opportunity to generate it themselves. The spirit—known to us as "The Squibb spirit"—is also in essence the spirit of democracy, as the details of our meetings will make clear. Competition is the keynote but friendly competition, the competitive spirit of games and sports. That the men are with us and enjoy these meetings and find them stimulating, seems to be proved by the fact that, of their own accord, they usually extend them a couple of hours beyond the scheduled closing time.

The immediate objective of our sales meetings is to impart new information; to instruct representatives in new promotion plans; to keep them in touch with the firm. Pacific Coast division men work out of three districts, each headed by a manager. These are supervised by the divisional manager. Once or twice each year the Pacific Coast division has a meeting of its entire personnel. This is a two-day meeting, and usually includes executives from the home office: The president, the director of sales, heads of the sales departments, in addition to the divisional men.

Between these general meetings we have, as often as is practicable, meetings of groups. The intervals between these sectional meetings are a month or six weeks, depending on the promotional plans, new ideas, or in-

formation on new products we may have to impart.

Every meeting starts with a definite program, though the gatherings are kept informal and time always allowed during the latter part for free discussion. A spirit of informal interchange is perhaps a major factor in keeping our meetings always alive and of absorbing interest to their participants.

The programs may be centered around any one of a variety of subjects: A new merchandising campaign; a detailing campaign with doctors; fresh ideas in selling. If we are breaking a new advertising campaign, it will be presented in detail; if the meeting coincides with the approach of a season and the selling of certain seasonal products is indicated, that will be the motif. Alterations in sales policy afford another subject. In short, the programs are planned around matters of current interest and importance.

Keeping the interest of the men in sales meetings seems to be largely a matter of enlisting their active participation. Every salesman in the field should have something to offer to the group. To stimulate an interchange, salesmen are assigned subjects or products on which they will be invited to bring their very best ideas of experiences. Usually the subject assigned is a selling or merchandising idea which a man is effectively using, or a product on which he has been exceptionally successful.

From the ideas brought to the group in this way, the best are selected for general use. This means that the methods, the selling techniques, the ideas used by the men in the field are actually their own, or else they are ideas or methods that they have modified, adapted or perfected as a result of their experience.

Sometimes at meetings where executives are present, men do not speak their minds. Our men know they can say what they please without the danger of losing their jobs. When the men know they have the green light on everything they wish to get off their chests, they will have no inhibitions about taking an active part.

While the first half of the sales meeting programs, embodying the in-

SALES MANAGEMENT



formation or ideas that the firm has to present, is drawn up by the district manager for the smaller group meetings, the men are free to suggest any additional subject they may wish. Everything that a salesman may bring up is accorded free discussion and serious consideration, even though (as in some instances) the ideas or suggestions may be of no practical value. Only in this way is it possible to get an unhampered and fearless interchange of experiences and ideas; the men are thus made more alert and encouraged to think.

The methods used to dramatize the selling also help to bring an element of drama into the meetings. Sales contests are about the best means of introducing drama into the meetings as well as into the daily work, both because of the incentive of the reward and the element of sport in the friendly rivalry of the contest. For instance, a recent contest had as its reward a trip to Bermuda. While the contest was on, motion pictures of Bermuda were shown at sales meetings, literature on the trip presented, and Bermuda was emphasized in talks and letters.

### Films, Charts Enliven Meetings

We have our big annual Go-Getter contest which is national in scope and runs for twelve months. The reward takes in the representatives who lead in quota attainment in the respective groups: For instance, the leading district managers and one leading division.

Then we have two major sales drives, a six-to-eight-week Spring drive and an eight-to-ten-week Fall drive.

In between, we have shorter contests involving various kinds of promotional plans on individual products, with prizes in cash and merchandise. Most of our contests are built around some sport or an adventure of current interest.

Two specific ways we have of dramatizing sales meetings, both group and general, are: Showing motion pictures and the use of charts. The pictures vary in length from a showing time of twenty minutes to an hour and a half, their subjects including dramatized sales messages, pictures of an inspirational nature, information that is more effectively presented in this way. Squibb motion pictures intended for the trade are usually first shown to the salesmen.

Charts are used to emphasize major points in selling; to present a new product graphically; to explain an advertising campaign.

JANUARY 1, 1938

**HERE'S A REAL BUY**  
when you're in Chicago!

Stay at the Allerton Hotel... within walking distance of offices, stores, factories, theaters, restaurants, night clubs... yet located out of the Loop in Chicago's famous Michigan Avenue.

← A Suite Like This \$6.00  
for 2 persons  
Twin Beds—Parlor—Bath...

→ A Single Room Like This \$3.00  
with  
Private Bath.....

Radios in Every Room • Special Weekly and Monthly Rates



JOHN F. HARDING  
Hotel  
MANAGEMENT  
HEN WILLIAMS BUILDING

HOTEL *Allerton* "CLOSE TO EVERYTHING"  
MICHIGAN AT HURON...CHICAGO

## Your Campaign has its full impact upon the entire hardware trade when projected through Hardware Age

Its more than 21,000 subscribers are the live, *reading* hardware men of the country.

They are the active buyers and sellers—the receptive and responsive element through whom you must work if you are to influence the trade as a whole in your favor—

—and they *like* to read and use *Hardware Age* in their business, as witness the high **81.05%** subscription renewal rate.

Advertisers, also, like to use *Hardware Age*.

Of 678 manufacturers who advertised in the national hardware papers during the first 10 months of 1937—

**93.9%** used *Hardware Age*

and over **70%** of these used *Hardware Age* only.

*Hardware Age* is the sure, efficient sales promotion force that you need in the development of your hardware market.

**The whole hardware trade Knows It  
when you advertise in *Hardware Age***

Ⓢ **HARDWARE AGE** Ⓢ  
*A Chilton Publication*  
239 West 39<sup>th</sup> Street New York, N.Y.  
A.B.C. - Charter Member - A.B.P.

**OUR OWN SALESMANAGER  
FIGURED THIS OUT...  
YOU PAY FOR**



He knew the comfort of having a two-room suite when on the road... especially in New York, for conferences with "Number One" men... and he knew that salesmen usually paid \$6 and up for a double room. So we worked out this outstanding hotel value... parlor, bedroom and bath from \$6 per day, and no extra charge for a second person... an ideal set-up for the salesman with big things to think about.

**NEW YORK'S LARGEST SINGLE ROOM  
WITH BATH \$3.50 UP  
DOUBLE \$5.00 UP**

1600 ROOMS WITH RADIO  
AND  
CIRCULATING ICE WATER

Swimming Pool and  
Gymnasium FREE to Guests

7th AVE., at 56th ST.  
New York City



"HOME OF THE COCONUT GROVE"

## WHERE is Business Going in 1938?

Where will it leave you next December? A clear picture of what to look for—definite, concise interpretations of economic trends and prospects—is in the annual

### BROOKMIRE FORECASTER for 1938

● Send this advertisement and One Dollar for this Forecaster plus a Special Report on "Why Renewed Progress of the Business Cycle Should Follow the 1937 Interruption."

● You will also receive three important current Brookmire Bulletins covering 1, Annual Stock Forecast with the Brookmire List of Approved Stocks, 2, Annual Bond Forecast with Bond Investment Program for \$100,000, 3, Planning for consistent Investment Achievement.

**Five valuable guides for \$100**  
Order your copies today—the edition is limited

### BROOKMIRE

Corporation—Investment Counselors and  
Administrative Economists—Founded 1904  
551 Fifth Avenue, New York

30

## "Dying" Music Industry Revives

(Continued from page 24)

The revival of the music trades has been helped by advertising and promotion. Skimming through the daily and Sunday newspapers, one notes a fair sprinkling of piano advertisements sponsored by dealers. Manufacturers use larger copy. Steinway Pianos use colorgrature in full pages, home-and-family appeal.

The Hammond Organ, a comparative newcomer, has been put across by well-planned promotion methods. An executive of the company reported to SALES MANAGEMENT: "Our sales are increasing at a steady pace. The sales to churches, which at the end of the first year constituted more than half of our volume, are now, due to the rapid increase in residence sales, making up about a third of our total."

"Although we run a few ads in religious and other specialized publications, almost all of our advertising dollar is spent on the residence market, our schedule including such magazines as *Life*, *National Geographic*, *Fortune*, *The New Yorker*, *Newsweek*. Up until June of this year our advertising was largely devoted to spreading the news of the Hammond organ, i.e., telling people that there was such an instrument available. We believe that a large part of the better-class buying public is now at least aware of the Hammond Organ and so we are able to do a little better selling job with our advertising."

### They Sponsor Musical Events

In recent years piano tournaments and festivals have been sponsored, with excellent results, by manufacturers. One such event, held annually in Indianapolis, draws visitors from all parts of the United States. During this impressive festival 125 grand pianos are played in unison by contest winners. A typical event of this type was held last Summer at San Diego, where 337 pianists played 26 Gulbransen grand pianos to thousands of auditors who filled, and overflowed, the city's Ford Bowl.

Each Autumn for the past six years a Band Festival has been held in Peoria, Ill., sponsored by Byerly Brothers Music Co., local music dealers. Last year 1,317 school musicians, from 30 school bands, played to an audience of 25,000 persons. This year 40 bands will participate.

The Baldwin Piano Co.'s "Talent Tests" also deserve mention. That firm offered, through a national advertising campaign, to test the musical I.Q. of children, under the super-

vision of the faculty of the Cincinnati Conservatory of Music. Duplicate reports were issued for each entrant, one going to parents, the other to the local Baldwin dealer.

Through wise promotion the lowly harmonica has achieved a place of honor in musical America. In the early 1920's, William Haussler, American representative of M. Hohner Co. (of Trossingen, Germany, decided to lift the harmonica out of the 25-cent toy class. Working mainly through schools and playground directors, he succeeded in arousing wide interest in this instrument, so inexpensive and easy to play. The harmonica seems here to stay, since there are now about 5,000 harmonica bands in this country. The price for the standard-type instrument is now 50 cents; and there's a chromatic variety with a price range from \$1.50 to \$6.00.

The American agents for Hohner have wisely refrained from offering the harmonica in competition with other musical instruments. Instead, they have emphasized the fact that it is a stepping stone to a musical education.

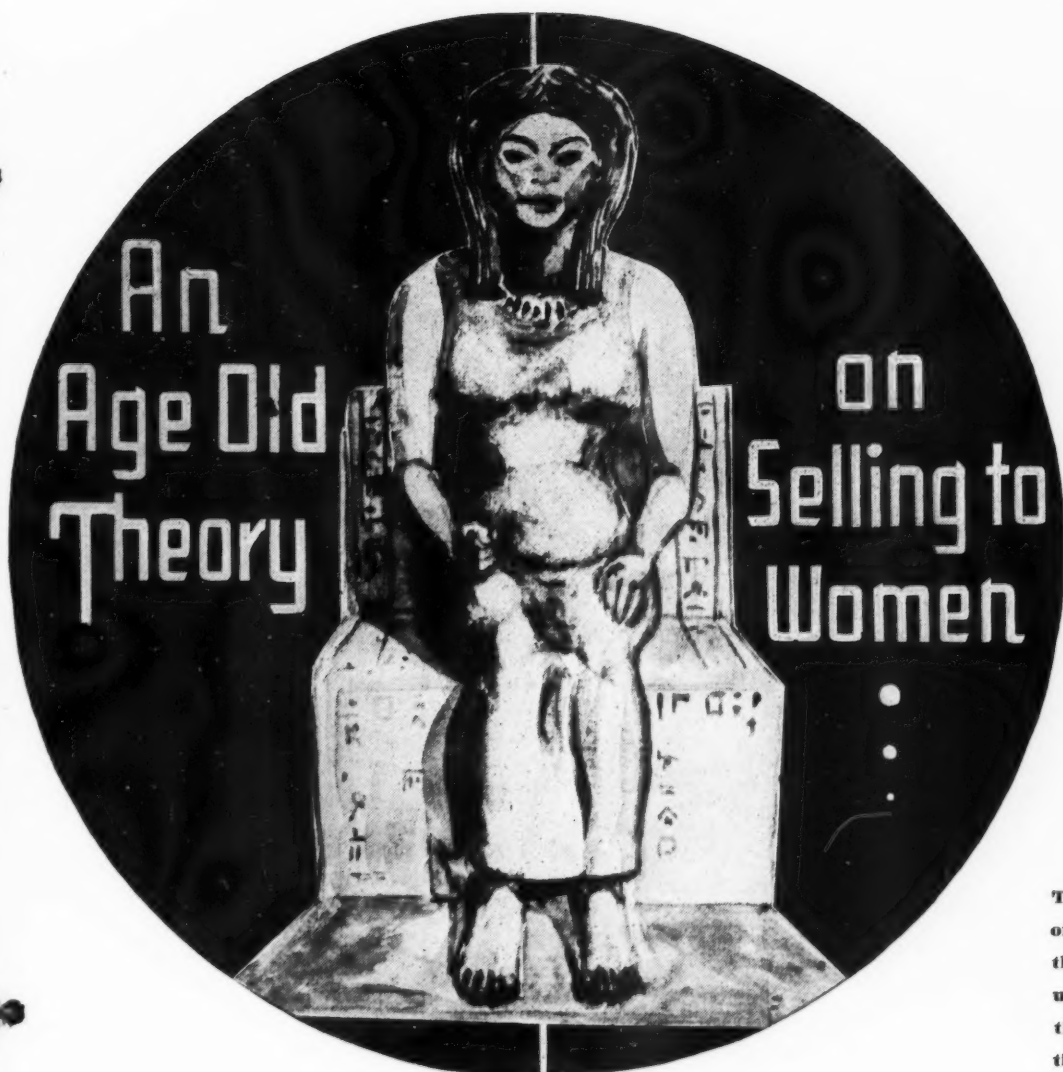
### Department Store About-Face

Children and adults are unusually responsive to harmonica advertising. Two years ago a half-page in the Metropolitan Sunday Newspapers drew 103,000 requests for the Hohner instruction book. More than 10,000,000 copies of that book have been distributed in the 12 years since it was first issued.

Harmonicas are sold through dozens of different kinds of outlets, but the regulation music store is still the usual place to buy pianos, accordions, wind and string instruments. Department stores are once more taking an active interest in pianos (one, in New York, sold 60 during four days in early November), but the manufacturers have not quite forgiven those among them who slashed prices beyond all reason in the lean years of the depression. The industry as a whole suffered because certain stores resorted to such shady methods as advertising baby grands for, say \$395, with an allowance of \$50 for an old piano. Upon calling at the store, the prospect would find that the allowance did not apply to the \$395 piano, but rather to one priced at \$495.

But such methods did not pay, and the industry is now on a much more ethical basis, with manufacturers on guard against unscrupulous dealers.

SALES MANAGEMENT



Once it was "The Woman Pays" . . . Now it's "The Woman Buys—the Man Pays."

While woman today does more of the buying than ever—for household and family—her buying habits remain the same so far as instinct is concerned. She senses the bargain. She trails the value to its lair. She ferrets out that "something extra."

Pick up any woman's magazine and note how many companies, large and small, offer a premium with their merchandise. Look at the premium and the chances are heavy-odds it's advertised to premium-users in PREMIUM PRACTICE.

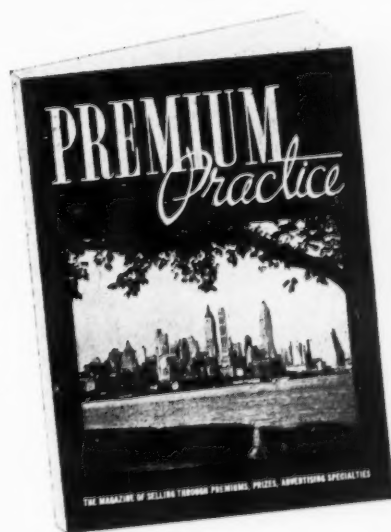
*Let* **PREMIUM**  
*Practice*

**ADD TO YOUR SALES—and profits**

JANUARY 1, 1938

The starting point for greater distribution of your product is Premium Practice. Reach that vast army of more than 9,000 premium-users who reach the millions of consumers that give mass-momentum to the distribution of your premium.

**PREMIUM PRACTICE**  
420 Lexington Ave.,  
New York, N. Y.



**THE NATIONAL AUTHORITY ON  
PREMIUMS AND ADVERTISING SPECIALTIES**





"They're Advertising a Swell New Baby Carriage Over WHB"

WHB • KANSAS CITY • MBS

For Better Letters

**WOODSTOCK TYPEWRITERS**



**HOTEL Lennox**  
SAINT LOUIS

OVER 50% OF ALL ROOMS \$3.50 OR LESS, SINGLE, \$5.00 OR LESS, DOUBLE

**PHOTOSTATS**

COMMERCE PHOTO-PRINT CORPORATION

1 WALL STREET

233 Broadway 56 Pine St.  
80 Maiden Lane 33 W. 42nd St.  
Dlgbly 4-9135-6-7-8



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

### WDAY Puts Fargo and Red River Valley on Sales Maps

Herewith the palm, orchids, medals galore for the most interesting market and promotional study of the month—to Station WDAY, of Fargo, North Dakota, by crackey! Dang it, they've got us doing it now. Years ago we toted sample cases up in that neck of the woods, but it was evidently long before the influence of the live wires responsible for the tone of this sales portfolio. One quick once-over of the well illustrated booklet (flexible binding which is used really to make spreads, not facing pages) and we feel on intimate terms with the Red River Valley—which used to be just another river to cross. As for knowing, then, that the Red River Valley was the center of one of the richest farming sections of the world—well, we didn't but that's no excuse for anyone else making the same mistake now that this study is available.

Written frankly for busy executives who don't get around to Fargo as often as they should, the book is guaranteed to create an interest where there wasn't one before—to establish a decidedly interesting personality from among the anonymity of call letters and New Deal alphabetical signatures. Dave Henley advises that from time to time additional pages will be sent out, for insertion in an up-to-the-minute story of the station and its market. Our tip is to get the booklet and on the list, whether you have any immediate business for Fargo or not. All the statistics are there, plus a sure promotional touch which makes the book a mark to shoot at. As indicated, requests should go, pronto, to David S. Henley, WDAY, Inc., Fargo, N. D.

### Funny Business

Here we were, stuck in the midst of our editorial chores, with a closing date hanging over our heads, and Christmas shopping still to be done. Stuck because *Collier's* had sent us a copy of a promotion piece called "Funny Business." Its sub-head is, "Collier's collects its wits."

"The bombardment of significant symposiums," *Collier's* opines, "has been heavy. Let's have an armistice. How about an Anthology of Antics—an examination of the lives and works of America's funnymen?" Liking its own bright idea, *Collier's* delivers its anthology forthwith in the shape of a collection of *Collier's* cartoons with pen-and-pencil sketches of the artists who drew them, and impudent and very breezy biographies. "The only serious note," says the magazine, "is the cumulative proof of the way these mad and mighty atoms win volatile reader interest for *Collier's* from cover to cover."

(We'd forgive 'em for a lot more copy than they've tucked in on the last two pages under the head of "Commercial," in which they point out that smiles loosen purse-strings and laughs are wrap-ups.)

Our personal and unrestrained applause would be, except for the roar of mid-town traffic hereabouts, clearly audible in the *Collier's* offices over yonder on Park Avenue. Haste all ye who long for 20 ginseng minutes of relief from worry over undistributed profits taxes, call Emily this minute and tell her to get off your request for a copy. Direct it to T. L. Brantly, *Collier's*, 250 Park Avenue, New York.

### Four Radio Studies

Number 1: "Coverage and Market Data for WKY, Oklahoma City." Clearly intelligible maps of daytime and nighttime coverage, with well organized statistical material to help sales executives, agency men, and market analysts keep up-to-date on the Oklahoma City market area. Send requests for copies to M. H. Bonebrake, Business Manager, Station WKY, Oklahoma City, Okla.

Number 2: "WTIC'S," Hartford, Conn. A capable market study of which the avowed purpose is "to present all the essential information an advertiser may wish to have to be able to analyze the WTIC market and evaluate its potentials." Good breakdowns of retail sales, number of outlets in various classifications, etc. Requests to Paul Morency, General Manager, Station WTIC, Hartford.

Number 3: "Radio Survey in Minnesota," Station WCCO, Minneapolis-St. Paul. Results of a survey conducted through 29 Parents and Teachers Associations covering family listening habits through the State of Minnesota. Based on 10,032 questionnaires. Address requests to E. H. Gommans, in care of the station.

Number 4: Station WEEI, Boston, presents an analysis of advertising (exclusive of network business, religious and political broadcasts) used by 77 advertisers over the three major Boston radio stations during the week of October 24-30. When you write for this, ask also for "This is WEEI," a booklet which includes listening area maps and market data. Requests to Harold E. Fellows, Station WEEI, Boston.

### Drama for Bored Prospects

Bill Jones typifies That Sleepy Salesman who is present—sometimes in great numbers—at every sales meeting. He also typifies the bored consumer who has so long served as a target for soporiferous sales talk that he is numb with boredom. The problem of lifting the sales presentation above the sing-song stage and getting into it the drama, life and color which is necessary to arouse Bill Jones and others of his ilk to a state of attention and interest, is handled in a booklet, "Jolting the Joneses," sponsored by AudiVision, Inc.

The booklet deals specifically with the subject of industrial films, covering How to Plan, How to Buy, How to Use. A good piece for all companies using films, or contemplating their use. Address requests to F. F. Gregory, AudiVision, Inc., 285 Madison Ave., New York.

### Advertising and Its Critics

One of the outstanding addresses of the Boston Conference on Distribution in September was that on "Advertising and Its

SALES MANAGEMENT

*Critics*," by Charles Coolidge Parlin, of the Curtis Publishing Co. Taking up argument after argument which over a period of years have arisen to challenge the economic efficiency of advertising, Mr. Parlin replied succinctly and powerfully. Both arguments and answers have possibly come before most of our readers at one time or another, but as reprinted in booklet form the address offers a rather complete compilation of information and viewpoints on a subject which most advertisers have to handle frequently. The booklet is available on request to Mr. Parlin or Herbert M. Faust, Curtis Publishing Co., Philadelphia.

### Dennison Display Portfolio

Colors, textures and variety of materials run riot in the giant portfolio of decorating materials which Dennison has prepared for sales and advertising executives. Arrival of the portfolio itself is guaranteed to stop work in nearly any office. It's a truly beautiful box, rich velvet-red outside, tied with white cords, and unfolding cleverly to a velvet-white interior. Here are assembled eight assortments of large samples (16-inch square), with corner envelope-labels, of poster crepe, velure, and other decorating materials. Range is also from marble-backed corrugated board to tissue-soft drape materials, spangled and glowing in full color range. In submitting these samples, Dennison further suggests the services of its creative studio, for sketches and application of the several materials to striking displays at low cost. The entire portfolio will be sent to sales and advertising executives, while the supply lasts, on request to J. J. Ford, Dennison Manufacturing Co., Framingham, Mass.

### South Bend Grocery Surveys

Data on distribution and sales in the South Bend, Ind., market for dog food, soft drink preparations, hair tonics, fly spray and hand lotions have been secured and issued in loose-leaf report form by the *Tribune* of that city. Surveys show (1) number of stores carrying each of the products, and (2) leading brands in order of sales. In addition, a comprehensive report on grocery outlets in the market is available, showing number of independent and chain stores in all communities in the greater market, both Indiana and Michigan, with additional data on wholesale grocers, and wagon jobbers. These and later surveys to be published from time to time will be sent on application to E. J. Meehan, The South Bend *Tribune*, South Bend.

### Rochester and Its Trading Area

A suburb-by-suburb story of 44 "satellite" towns surrounding Rochester, N. Y. Includes parallel analysis of the circulation of the Rochester *Democrat & Chronicle* and the Rochester *Times-Union*, papers sponsoring the study. Valuable supplement to other studies which offer only statistics on the city proper. Requests to Frank Duffy, Gannett Newspapers, Rochester, N. Y. Ask for "Suburban Rochester."

### All About Shoes

"Shoe Market Facts," sponsored by the Marketing Division of Hearst Magazines, gives a clear and well condensed picture of the business done in this country through shoe stores. It records total sales volume for 1935, and compares it with '33, by geographical sections. Also presents separate figures on three groups of states: Group I, consisting of 12 states, each accounting for 2% or more of all shoe

sales; Group II, consisting of 10 states, each accounting for 1% to 2% of all shoe sales; Group III, consisting of 26 states, each accounting for less than 1% of all shoe sales. Breaks up sales by chains and independents. Tabulates data on stores by volume of business handled. Good maps. Requests to L. J. McCarthy, Marketing Division, Hearst Magazines, Inc., 57th St. and 8th Ave., New York.

### For Industrial Marketers

McGraw-Hill comes along with a brochure called "Your Mr. Smith-Smith," the title designating the typical business paper subscriber whose name is hyphenated because he is "two different persons operating as one." Both the Private Life Mr. Smith, and the Factory-Executive Mr. Smith, it

turn out, have one important primary interest: Making more money. The gist of the message is that, if you want to reach Mr. Smith-Smith effectively through business paper advertising, you must frame your appeal to him on this basis. McGraw-Hill sets up a series of check-lists which will help to achieve this end: One, a check on "Money advantages of my type of product"; another, "Money advantages of my brand of product"; still another on "Check list of the appeal of my company." Finally, there's a summary of the "language" of the various industries: Food, chemicals, transportation, textiles, and so on, which identifies the processes involved in each in their correct terminology. Requests to D. J. McGrath, adv. mgr., McGraw-Hill Publishing Co., Inc., 330 West 42nd St., New York.

## Personal Service and Supplies

Cash Basis Only. Remittance Must Accompany Order.

Classified Rates: 50c a line of seven words, minimum \$3.00. No display.

### EXECUTIVES WANTED

#### WANTED . . . EXECUTIVE SALES PROMOTION MANAGER

One of the country's largest manufacturers of stationery articles requires a first-class experienced executive, thoroughly grounded in selling, supervising men, merchandising, systematizing records, planning campaigns, etc.

Anyone afraid of the hardest kind of uphill work in keenest competition, and lacking confidence to show early tangible results need not apply. Age 35 preferred. Recognition in substantial salary certain for right man. Box 571, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

**SALARIED POSITIONS, \$2,500 to \$26,000.** This thoroughly organized advertising service of 28 years recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance for moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

#### SALES MANAGER WANTED

A well known furnace manufacturer located in a small middle western city, seeks a Sales Manager. The job to be filled requires a man who has kept abreast of merchandising methods in the heating and Air Conditioning fields and knows how to produce business through an established dealer organization. He must be capable also of building quickly, dealer outlets for new products now in development. He will not have an unlimited sales and advertising budget, but one which is ample in the light of present volume. Write in full confidence to Box 568, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y., giving experience and minimum salary.

### HELP WANTED

**FIVE REPRESENTATIVES SIGNED MORE** than \$200,000 of upper bracket Alexander Film Co. screen advertising this year. We need more like them; men and women competent to deal with big advertisers and agencies. Ground sowed; needs more harvesters. More North Eastern representation especially desired. Full prospect protection and renewal commissions. Most national advertisers now eyeing theatre screen medium. Many broad campaigns launched. We are medium's oldest, largest and most aggressive unit. Leading member of General Screen Advertising, Inc. Please outline your background fully. Write Alexander Film Co., Colorado Springs, Colo., or branch offices, Wrigley Building, Chicago, Ill.; 230 Park Avenue, New York City.

### HOLLYWOOD ASSIGNMENTS

**HOLLYWOOD ASSIGNMENTS** Commercial—publicity stills on the movie lots—live house-organ copy—BUSINESS FILMS produced. A. B. LAING, established 6 years at 3626 Lankershim Blvd., Hollywood, Calif.

### PHOTO AD-CARDS

**PHOTO AD-CARDS—NEW, NOVEL, EFFECTIVE** mail-order selling. Economical and sure-fire results. Get samples quick. GRAPHIC ARTS PHOTO SERVICE, 291 Market St., Hamilton, Ohio.

### PHOTO OFFSET

**SYNTHETIC TYPE FOR PASTE-UPS.** Cuts display type costs down to rock bottom. Many modern types available. Write for folder. Fototype, 625 West Washington, Chicago.

### POSITION WANTED

**BUSINESS WILL BE GOOD IN '38** FOR those who go after it. Ace Sales and Advertising Manager available January 1st. Unusually brilliant record. Young. Hard-hitting. Address Box 570, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### RESPONSIBLE POSITIONS

**OUR STRICTLY CONFIDENTIAL AND PERSONAL** method conducts negotiations for high-grade positions. Each case prepared and executed separately. Employment and identity protected. Moderate cost. If you have earned over \$2,400 yr. write, without obligations, Dept. G, Craig & Gravatt, Schaff Bldg., Philadelphia, Pa.

### WAREHOUSING—DISTRIBUTING

**MIDDLE WEST SMALL LOT DISTRIBUTOR.** We have a unique warehousing set-up especially geared to break down and distribute your case or carload shipments from Cleveland. Distribution direct to retailers and wholesalers via Parcel Post, Express or Truck, throughout Ohio, Michigan and Western New York State. Personalized supervision to give you all the advantages of a Branch Office at Fractional cost. Address, R. J. Van Stone, 2000 West 14th Street, Cleveland, Ohio.

### High Grade

## STENCIL INK DUPLICATOR

Rich black tone, quick drying, unexcelled for brilliancy and sharpness. Regular \$2.00 per lb. quality. Special introductory offer: 2 lbs. sent to you postpaid direct from the manufacturer for only \$1.50.

J. L. LARSON  
Box 1101, Sta. B. Cleveland, Ohio



# C O M M E

BY RAY BILL



**L**OUISIANA ENCOURAGES BUSINESS: Time was, under the late Huey Long, when business men looked upon the state of Louisiana with no small apprehension. It is interesting, therefore, to find this same state now actively promulgating a program to attract private industry within its borders. And this under a program featuring two policies, namely, (1) a ten-year property tax exemption amendment to the state constitution that eases the drain of taxation on new industries and for all industries attempting to expand, and (2) a "Golden Rule" policy of the state government that encourages industry by freeing it of political interference and mauling.

The incumbent Governor, Richard W. Leche, states that in the past year private enterprise has invested some \$47,000,000 in 86 new plants and factories in Louisiana, thereby giving employment to some 10,000 building workers and an estimated employment of 15,000 for the operation of these new industrial units.

This whole development may augur an accelerated movement on the part of many states to cooperate with private business along the same and similar lines.

◆ ◆

**A**NA CONTRIBUTES SOME GOOD NEWS! A poll just conducted among members of the Association of National Advertisers brought in a 77% evidence that there will be as much, or more, advertising in 1938 as in 1937. While the same study reveals that certain companies are operating on quarterly rather than annual budgets, the results certainly show business proposes to be aggressive rather than passive in its efforts to promote and realize plus sales. Even more encouraging are the statistics taken from the same poll which show that some 36% of the companies replying plan increased advertising budgets for 1938; that some 51% anticipate more sales as measured in units, and that some 50% anticipate more sales in dollar volume.

◆ ◆

**F**LASHES FROM WASHINGTON: During the fortnight, a group of business editors (including the writer) met informally with a number of Washington leaders. All the sessions were of the "no quote" variety, but we can report our observations as follows:

1. The immediate outlook for cooperation between business and government is truly bright.

2. James Roosevelt possesses both a pleasing personality and much ability. He is destined to be a valuable lieutenant-general to his father, especially in those spheres of greatest concern to business men. He seems really "rightish."

3. The newest program for making private homes cheaper and easier to buy gives real promise of early realization on at least a moderate scale. Mortgage funds for 90% loans on low-priced homes will definitely be available. Labor unions, on a local basis, are accepting cuts in union wage scales (or the equivalent).

4. The program of the U. S. Housing Authority is so beset with legal, local and even complications relating to cost that quick progress on an extensive scale cannot fairly be expected. But energetic Administrator Straus, with unstinted backing from the White House, is making noteworthy progress in cutting through red tape.

5. The undistributed profits tax and the capital gains tax have no champion backers as they now stand. Complete repeal of either tax seems extremely doubtful, but substantial revisions are certain.

6. Wage and hour legislation is pretty sure to bound back into the next session of Congress. Bureaucratic administration of variable minimums seems to be definitely out. Any minimum that is adopted will probably be so low as to affect only a few hundred thousand factory workers.

7. There seems to be little if any desire in Washington to see the Federal Government take over ownership of either the railroads or the utilities. Rather there is a desire to spur the leaders of private enterprise in these two fields into the exercise of a higher type of business statesmanship.

8. Most Congressmen and Senators are growing increasingly weary and wary of leverage which is put on them by panacea-mongers, lobbyists and pressure groups—most of whom represent minorities. This trend is making a courageous, studious Congress out of just a Congress.

And so saying, we move on into a new year. May 1938 be a happy, interesting and prosperous year for our readers. May it be a year that is full of back-aches, rather than head-aches, heart-aches and belly-aches. And may your back-aches bring their own just reward—in the hand—in the flesh—and in the spirit. That is our New Year's wish.









## HIGH, WIDE AND HANDSOME

**L**OVE makes the world go round . . . Yes, and marriage does the same thing to *his* head. What may be sitting on top of the world to *her* is, usually, just a pain between the shoulder blades to *him*.

She thanks her lucky stars—he just sees them—especially after she's been store-gazing. For they're in the "Age of Accumulation" and the stratosphere's the limit of the things they *need* and *buy*.

During the ten years, between 25 and 35, she introduces him to a world of new things—and he ends up by carrying them all home. For *his* not to reason why, *hers*

but to go and buy. And she buys plenty!

The cash these young folks flicker around are pennies from heaven for those who know their *buy-ways*. And business looks up, too, when these star gazers spot a manufacturer's star product.

Although those in this age group make up only one-fifth of the gazers, they reach for two-fifths of all that's sold. *Cosmopolitan* is one medium predicting and assuring a prosperous future for those advertisers who prefer star gazers. 36.2% of its readers are in the "Age of Accumulation."



# WHEN YOU WANT TO GIVE PEOPLE BUYING IDEAS

**D**AY in and day out, people turn eagerly to the newspaper. It is the primary source of their information regarding the events of the day . . . of news and comment on the men and affairs that interest them and affect their well being.

It is the medium they consult every day in the year for guidance in shopping for the things they buy.

From this continuous contact with people in every station in life springs the newspaper's power as an advertising medium. It is the reason why in any effort to get public acceptance for an idea or a product, the newspaper is basic to advertising.

To move billions of dollars of merchandise sold in individual units to individual customers, America's retailers depend chiefly on newspaper advertising. From first hand experience they know that it produces at once the volume of store traffic and sales which they require day in and day out regardless of weather, season or general conditions.

The newspaper is the medium in which the manufacturer can present his product with pictures, diagrams and detailed explanations so as to get full appreciation of its beauty, value, utility and economy.

It is the medium in which he can discuss policies of management in full . . . and be sure of reaching the audience most important in creating favorable public opinion or volume sales.

In the newspaper he can come to the point immediately without costly preliminaries and without offense to an audience accustomed to direct, frank solicitations.

It is the medium in which he can start and stop advertising to suit changing conditions and in which he can increase or reduce it in relation to consumer buying power and trade conditions.

It is the medium which he can use to give his dealers direct selling help in the communities from which they must draw patronage if they are to remain in business.



No other medium is so demonstrably basic to every selling job involving the public as is the newspaper.

In Chicago, you can take maximum advantage of the opportunities this great market offers by building your advertising plan around the Tribune. Rates per 100,000 circulation are among the lowest in the business.

## CHICAGO TRIBUNE

WORLD'S GREATEST NEWSPAPER

TOTAL DAILY CIRCULATION OVER **825,000** TOTAL SUNDAY CIRCULATION IN EXCESS OF **1,000,000**